No. 30,505

Tuesday April 5 1988

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#### World News

## 'prepare' for components collapse of to Japanese

Evidence mounted that the Soviet Union and the US are pre-paring for a breakdown in the UN-sponsored talks on Moscow's planned troop evacuation from

US intelligence sources said that Mr Eduard Shevardnadze, the Soviet Foreign Minister, who has been in the Afghan capital since Sunday, was making contingency plans for the unilateral withdrawal of some of the 115,000 Soviet troops if the deadlocked Geneva talks were called off.

#### Mitterrand hint

President Francois Mitterrand of France has hinted that be believed South Africa was behind the murder of an African National Congress official in Paris, but ruled out breaking off matic links with Pretoria.

#### Dalai Lama visite UK

The Dalai Lama, exiled Tibetan spiritual leader, arrived in the UK on a 10-day visit. An all-party parliamentary group condemned the British Foreign Office request that he make no political state-ments during the visit.

#### Ferry talks planned

Talks to end the strike by 2,300 seamen employed by P&O European Ferries which has disrupted sailings between Britain and France for the past eight weeks are expected to resume later this week. Page 10

#### **Nuclear protests**

About 10,000 people protested against nuclear weapons at Aldermaston in Berkshire, UK, while more than 200,000 people took part in weekend anti-nu-clear rallies in West Germany,

War of cities resumes Iran and Iraq traded missile strikes after a three-day bill in thy attacks. Iran attacks refinery, Page 2

#### Manila hunt widens

The Philippines army widened its search for coup-attempt leader Gregorio Honasan amid accusations that the US was involved in his escape. Future of US bases,

#### Somali border pact

Ethiopia and Somalia have agreed to resume diplomatic relations and reduce military tension on their border after talks in the Somali capital of Mogadishu.

#### Moscow radio attack Soviet Communist Party daily newspaper, Pravda, accused Western radio stations of inciting

Armenian unrest over the dis-puted region of Nagorno-Kara-bakh. Strikes continue, Page 2

The Nicaraguan Government denied accusations by Contra rebel leader Adolfo Calero that government troops violated a three-day-old cassefire.

#### Colombia massacre

Hooded gummen killed more than 30 Colombian peasants when they opened fire on a crowd at an Easter festival near the northern town of Buenavista.

UK boys die in Alps Four British schoolboys, believed

## to be from the London area, slipped to their deaths yesterday in the Austrian Alps.

Boat people rescued The French Navy rescued 40 Vietnamese boat people, including a pregnant woman and 11 children, in the South China Sea.

Secrets Act charge

Erwin van Haarlem, 43, an art dealer, of Southgate, London, is to appear before UK magistrates today charged with an offence under the Official Secrets Act.

sterling, the dollar, D-Mark and yen in a new feature introduced today on Page 34.

The table, which will be published each Tuesday, replaces the usual World Value of the Pound and Dollar published on Tuesday and Friday, respectively.

#### **Business Summary**

## US, Moscow UK sales of Afghan talks under review

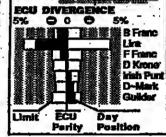
BRITAIN and Japan have lannched a joint study to see how sales of British electronics components can be increased to Japa-nese companies with factories in the UK. Page 12

EUROPEAN Monetary System: A decline in the US dollar failed to put any strain on weaker mem-bers of the EMS last week. Unlike on most previous occasions, the D-Mark was not the prime bene-factor. Investors tended to switch out of dollars into yen and ster-

Short-term interest rates have been allowed to fall sharply in Frankfurt, decreasing the D-Mark's attraction. A strong economic base in Japan and high UK interest rates provided more tempting alternatives.

The Bank of Italy sold D-Marks at Tuesday's fixing in Milan, although all currencies were trading well within their divergence limits.





The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest cur-rency in the system, defines the cross-rates from which no cur-rency (except the tira) may move by more than 24, per cent, The lower chart gives each carrency's divergence from the "central rate" against the European Currency

ME Jose Maria Ruiz-Mateos, Spanish financier whose Rumasa banking and industrial empire was expropriated in 1983, made a weekend offer to buy out the

bankrupt Spanish charter airline, Spaniaz. Page 21 KOPPERS. Pittsburgh-based building materials and chemical

company, returned to a Los Angeles court yesterday to seek a permanent injunction against a takeover offer from Beazer, the UK construction group. Page 21 AMBITIOUS PROPOSALS to merge and partially privatise the national airlines of Australia and

New Zealand yesterday won only qualified endorsement. Page 21 ERIDANIA SpA, Ferruzzi group's holding vehicle for its sugar and other agroindustrial inferests, reported steady net profits for 1987 of L43.3hn (\$35m) against

L42.5bn in 1986. Page 18 SHARES of Groller, the US ency-clopedia and reference book pub-lisher, rose above the improved

offer price of \$24 a share pro-posed by Hachette as the French publisher began its hostile tender. Page 21 **WORLD Correncies: National** currencies are plotted against sterling, the dollar, D-Mark and

### Shultz tries to unite Israelis on peace plan MR GEORGE SHULTZ, US Secretary of State, was last night ian uprising in protest against working hard to convince the US peace plan. One person response from the Arab side. Speaking in the porthern was the structure of the direct negoti-

**Dukakis** needs

convincing win

OVERNOR MICHAEL Dukakis but how he goes down among the

of Massachusetts badly needs a state's hine collar workers. Mr. and convincing victory in today's pri-mary elections in Wisconsin to reinvigorate his bruised cam-

trunners in the race for delegates successful state governor into a to the Democratic Party's con-viable presidential candidate.

core constituency of the Demo-cratic Party.

In contrast, Mr Jackson contin-

begin peace negotiations soon with the country's Arab neigh-bours, emphasising the substance. of the US-framed proposals rather than the procedure for implementing them, writes Andrew

Whitley in Jerusulem.

At the start of his third shuttle At the start of his third anuttie mission in six weeks, Mr Shuhiz held lengthy talks with Mr Yitzhak Shamir, the Prime Minister, as well as with his Labour Party coalition rivals, Mr Shimon Perus, the Foreign Minister, and Mr Yitzhak Rabin, the Defence Minister.

Minister.

He was greeted by a general strike throughout Arab East Jerusalem, the West Bank and Gaza Sirtp, called by the under-

lage of Bani Naim near Hebron, but otherwise the day passed off

relatively peacefully.

In a distinct switch of strategy,
Mr Shultz has chosen to focus in his talks this time on the contents of a proposed two-stage solution for the Israeli-occupied territories. In addition, he has blitzed the local media with a series of personal appearances designed to calm Israeli fears of being cajoled by its main ally into a cul-de-sac.

Mr Shultz travels today to Amman and Damascus to seek definitive replies to the formal proposals he left with the Jordaago. But, in the absence of a pub-

city of Haifa, Mr Peres – the strongest supporter of the Shultz plan – said that progress had been made in his discussions with the US official. The two sides were said to have gone beyond the opening international conference into the substance and form of an interim agreement for the West Bank and Gaza

first barrier we have to overcome," Mr Peres remarked.
"Maybe the more we go into details the less threatening it will be for him."

Describing himself as "really delighted" with his two-hour con-

Today's primary in Wisconsin provides a test for Democratic Party

candidates' appeal to the state's liberal blue collar voters

Speaking in the northern port the structure of the direct negotiations foreseen between Israel and the Arab states.

Tough time ahead

Freforms, Page 3

for US bank

"Nobody put pressure on me. Nobody demanded anything of me", Mr Shamir said, unremitting in his refusal to accept most of the basic elements in the US

 Mr Javier Perez de Cuellar, the UN Secretary General, said yes-"Mr Shamir's refusal is the agreement among the parties list barrier we have to over directly concerned and within the Security Council to convene an international Middle East peace conference, Reuter reports from the United Nations. Palestinians held and Saudi mis-siles offer, Page 2

## European chips plan clouded by Siemens, SGS-Thomson dispute

TO COLUM

XEP WATER

disagreements about which com-panies should be full members. The dispute arises from apparent resistance by Siemens, the large West German electrical group, to demands by SGS-Thomson, Europe'a second biggest microchip maker, to participate fully. SGS-Thomson was formed

last year by a merger of Italian and French microelectronics and French microelectronics companies.

The tensions have been underlined by sharp differences between those involved about what was actually discussed at meetings to plan the project and by suspicions of a furtive disinformation campaign through backs to the press.

eaks to the press. leaks to the press.

In French government circles, the implications of the disagreements are considered to go well beyond the planned venture and to raise wider questions about the future of European co-operation in advanced electronics.

Siemens is already working closely on the project with Philips of the Netherlands, Europe's biggest semiconductor maker.

ins. of the Netherlands, European Currences biggest semiconductor maker. According to Dataquest, a market research firm, Philips had world-wide semiconductor sales of \$1.6bn last year, SGS-Thomson \$1.5bn last year, SGS-Thomson \$2.5bm and \$1.5bm and \$1.5

PLANS FOR Western Europe's the total investments of more of events. According to the most costly and ambitious collab-orative venture in semiconductor financed by Bonn and The Lacour, the senior official who technology have been clouded by Hague: heads the French consortium and

French consortium wants to been taking part in planning the venture, it says it wants to play a significant role in work on the core microchip technologies to be developed by Jessi and in a pilot a production line on which they a would be proven.

However, the company and the case of the project, on which the German and Dutch Governments aim to take firm decisions in June.

SGS-Thomson was at first slow to express a firm interest in Jessi

involvement "is of no inverest in sand is unacceptable."

Siemeon response is that the Siemeon response is that the state in May.

French themselves ruled out a bigger role. According to minutes a taken by a member of the West as a gramme to develop powerful microchip memories. The project indication is a stantial funding

SGS-Thomson is part of a who hosted the meeting, the French consortium which has French side had emphasized that been taking part in planning the it was determined to be fully

French Government have been angered by several recent press reports in which senior Siemens executives have appeared to rule out more than a secondary role for SGS-Thomson.

In an interview published last week by Tribune de l'Expansion, the French newspaper, Dr Hermann Franz, the director in charge of Siemens semiconductor operations was quoted as saying operations was quoted as saying complete the project last year. It is also doubtful about plans to build a brand-new research centre for Jessl in West Germany, arguing that the work

of Jessi: "Philips and Siemens Germany, arguing that the work will develop the technology itself, But SGS-Thouson could be associated with work on design and equipment." Mr Philippe Geres, strong suspicions in Paris that director of strategic planning at German eagerness to site the SGS-Thousen, said such limited

Each has about 645 of the 2,062 ues to make news in the literal delegates needed to nominate the party's presidential candidate. Senator Albert Goze of Tennessee ama's embattled military chief, down at 1,960.60. Page 34

1.0NDON market was closed for Easter holiday.

and Senator Paul Simon of Illinders, the two remaining contenders, have won the support of about 368 and 166 delegates are spectively, according to the New York Times.

For Mr Dukakis, however, the real test in Wisconsin is not the servative voting record in president and senated and senated and senated and senated and exchange between the two men. Mr Jackson said, however, he had no intention of mediating in the affairs of Panama.

Wisconsin, a state with a progressive tradition though a consented to the servative voting record in president.

vention in July.

#### **Economic** gospel according to the Rev **Jackson**

By Anthony Harris In Washington

feed, and three pork chops to feed them with, she doesn't commission a study which shows she has two surplus children. She makes some

gravy."
This simple parable always gets a good response for the Rev Jesse Jackson, and it says quite a lot about the economic gospel he preaches with such success: it is homely, anti-in-tellectual, and addressed to a world of have-nots. It could also be taken to suggest that the Jackson programme is rather short of meat, but smothered in spicy gravy. That impression was

reinforced at a Washington breakfast last week when a group of academics and journalists heard the programme expounded by Mr Mark Steitz, Mr Jackson's issues adviser.

paign.

Mir Dukakis and the Rev Jesse
Jackson, who is riding high after sin would reinforce the doubts his triumph in the Michigan caucuses 19 days ago, are now from since 19 days ago, are now from since 19 days ago, are now from the transition from the control of the control He was once on the staff of the Congressional Budget Office and might have been expected to sound dry and specific. Not a bit of it. Mr Jackson was also in Washington that morning, to attend a rather more widely publicised Senator Albert Gore of Teunessee ama's embattled military chief, and Senator Paul Simon of Illinois, the two remaining contenders, have won the support of about 368 and 166 delegates he had no intention of mediating sign of detailed analysis. This was economic protest as much as it was economic policy. Effective protest must be addressed to felt grievances

Continued on Page 18

### India to erect border fence in attempt to curb Sikh violence

BY JOHN ELLIOTT IN AMRITSAR

BY JOHN ELLIOTT IN AMPITEAR

INDIA PLANS to build a security pation of Afghanistan.

"It is clear that some foreign the release from prison a month ago of five Sikh high priests and stepped up attempt to stem grow. In Siddartha Shankar Ray, Government hopes that anorthern state of Punjab.

Nearly 200 people have been killed there in the past 18 days.

In addition to the security fence, other new measures taken include the provision of more sophisticated wespons for police and paramilitary forces, deployment of extra border forces, increased intelligence surveil lance, imposition of a curfew and restrictions including special identification papers in sensitive border areas.

Although Pakistan has not been specifically named, it is being indirectly and pointedly accused of facilitating the recent which are already severely allowing supplies of AK-47 rifles and rocket famelers to passed to Sikh extremists who take are already severely strained.

But If Rajiv Gandhi, the beause of the weapons are manufactured in Pakistan's tribal areas and others are supplied by forcing governments for use by the Afghan mujahideen who are fighting against the Soviet occu
True strained to suppose the terrorists, and the senior priest, Mr Jasbir Singh Rode, a leading militant, will be the senior priest, Mr Jasbir Singh Rode, a leading militant, will be addition to the security single to the terrorist and paramilitary forces, deployment of extra border forces, increased intelligence surveil, lance, imposition of a curfew and restrictions including special identification papers in sensitive border areas.

But it has produced little concrete evidence and the issue has not built up into a major diplomation of finding the recent killings of complete familiant programs and the government, but the force of the finding for a form of independence from ladia.

Some of the weapons are manufactured in Pakistan's tribal areas and others are supplied by forcign governments for use by the Afghan mujahideen who are fighting against the Soviet occu

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PROMOTAG SA is part of the Gabriel Tamman Group, one of the largest and most active owners and developers of commercial real estate in the city centre of Geneva. The Group has a number of important projects for rent which offer rare opportunities to major companies seeking top quality representative offices or shop premises. The portfolio includes:

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A refurbished 19th century building in the heart of the business district. ready for occupation in Spring 1990. It will provide about 1,100 m2 (12,000 sq ft) of first class offices.

#### **SHOPS**

rue de la Confidèration/rue du Abbae Two landmark shopping centres, Confédération Centre and Arcades du Rhône (ready 1990), offer retailers prime units of 15 m2 (160 sq ft) up to 3,000 m2 (32,000 sq ft) in one of the world's top shopping districts.

For further details of these and other projects, please contact David Tamman at Promotag or David Gore at Hillier Parker.



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NUCLEAR POWER CHAMPION READY FOR FIGHT

Stock market crask: Efficient market theory Editorial comment: Rules for Gatt; Lack of vision on benefits \_\_\_\_\_\_\_16 Strike-free deals: Bargaining with union Foreign Affairs: Close counts only in horse

Lex: Markets; Fine Arts; Accepting houses . 18

Buenos Aires: Argentina to open oilfields to

ent: Survival in the shadow of

private companies

stands by his beliefs, Page 4 :

Armenian

strikes go on

By Lealie Collt in Moscow

who gave information to the West.

#### Belgians try to settle on coalition

THE LEADERS of five of Belgium's political parties start serious triks today on forming a rul-ing coalition, against the backdrop of new evidence that the country's public finances are deteriorating in the absence of a proper government for the past

Mr Guy Verholstadt, budget minister in the outgoing adminis-tration of the caretaker premier, Mr Wilfried Martens, has forecast Mr Wilfried Martens, has forecast that Belgium's public borrowing requirement this year is likely to rise to 8 per cent of gross domestic product (GDP), compared to his original estimate of 7.4 per cent. This relatively small increase is significant in that it would reverse the steady decrease in public borrowing from peerly 13 per cent of GDP in decrease in public borrowing from nearly 13 per cent of GDP in 1982 to about 7 per cent last year. By spelling out hard economic truthe on the eve of the new round of coalition talks, Mr Verhofstadt has not made these talks any easier. That, indeed, may any easier. That, indeed, may have been his aim, because his PVV Flemish liberal party is not included in tha negotiations which encompass Flemish and French speaking Christian Democrats and Socialists, plus the Volskunie Flemish regional party.

Mr Jean-Luc Denaene, a fellow member of the CVP Flemish Christian Democrats with Mr Martens, has been charged by King Bandouin with the task of trying to form a new government. If he succeeds, the succes ment. If he succeens, the successive centre-right governments of Mr Martens will be replaced by a centre-left coalition, with the centrist Christian Democrats dropping partnership with the right-wing Liberals and joining hands

Today Mr Dehaene is due to present e draft "governmental accord" to leaders of the five par-ties involved in the coalition cerns linguistic disputes.

ISRAELIS HOLDING 1,000 ARABS IN DESERT CAMP

## Lawyers condemn 'insanitary' jail

ABOUT 1,000 Palestinians from the West Bank and Gaza Strip caught up in recent sweeps through the occupied territories by the Israeli army are being beld in the Negev desert under conditions of extreme hardship.

According to an association of lawyers — two of them American According to an association of international lawyers based in detention centre, a rehabilitated military base near the Egyptian border known as Kitsyot Prison,

ees" - political prisoners being held without trial for six months

stones at anny patrols.

In the first independent inspection of the Kitsyot Prison, three lawyers - two of them American



In a sharp increase of fatalities, 25 people have been killed over the past week alone. Two of those who died on Sunday were electro-cuted while climbing high ten-sion electricity pylons at the behest of soldiers, to pull down Palestinian flags hanging from the wives

the wires.

Proclaiming yet another shift of tactics in the four-month-long Palestinian uprising, Mr Rabin. acknowledged that most of the six Palestinians who died on Sun-day – the worst single day so far – were killed as a result of army-initiated actions. Mr Rahm

### Iran fires missile at Kirkuk refinery

IRAN SAID yesterday its forces attacked an oil refinery in northern has and a petro-chemical plant in the south. But Iraq claimed one missile crashed into a residential area, killing and wounding civil-

Iranian Revolutionary Guards fired a missile at the Kirkuk refinery while jets bombed Basra's petrochemical complex, according to the Iranian news agency. An Iraqi military spokesman in Bagh-dad said the attack on Kirkuk, which processes half of Iraq's ofl output, hit a densely-popu-lated neighbourhood.

The attacks, launched in retaliation for Iraqi air raids

as Kremlin at the weekend which ended a short break coinciding with a visit by Mr Turgut Ozal, the Turkish Prime Minister, to Baghdad, prompted a counter strike by Iraq. hits at media STRIKES continued yesterday in the disputed region of Nagorno-Karabakh as the Kremlin indicated its displeasure with the Western media, and attacked arrested Armenian nationalities who may information to the

Iraq responded with a missile fired at the historic fra-nian city of Esfahan. It hit a densely populated district of the northern city, centre of Iran's oil industry, and killed or wounded several people, an Iraqi military spokesman said.

The oil fields of Kirkuk have been the target of Iranian attacks in recent weeks as Revolutionary Guards and fract troops buttle for control of the area to the east of the town, Irag's Kurdistan region.

Deserted beaches on paradise islands become a reality as sun-worshippers stay away, reports Canute James

Armenia reported.

The strikes were in protest at the refusal of Soviet leaders to allow the region, where Armenians make up 70 per cent of the population, to join Soviet Armenia. Nagorno Karabakh has been part of Soviet Azerbaijan since 1923.

Prayda verturday attacked Me.

Pravda yesterday attacked Mr Paruir Airikyan, an Armenian nationalist who was arrested 10

who is partly of Armenian origin

inspect Chinese missiles

It accused Western radio stations – the Voice of America, BBC, the US-sponsored Radio Liberty and West Germany's Dentsche Welle – of seeking to experts inspect medium-range were," the diplomat said.

An inspection accord would sources" in the Societ Union were," the diplomat said.

An inspection accord would Soviet Union.

could not tolerate the presence of such arms in Saudi Arabia, istically inclined people around himself. Pravda said he counted allow inspection in return for a Sandi Arabia and China have on assistance from "reactionary US guarantee, but will not agree to withdraw the missiles," the only and would not be armed diplomist said.

Sandi Arabia and China have on assistance from "reactionary circles" in the West who were interested in whipping up national divisions.

been decided, but it will be about one third of the usual number of

Despite earlier reports by Soviet officials that the work stoppages in Stepanakert, capital Nagorno-Karabakh, were nearly over, strikes were continu-ing in many factories and offices in the region, sources in Soviet Armenia reported.

visitor from Britain would now pay just over £50 (\$93)," he explained.

But the Caribbean itself is a currencies in resort areas. The progressive devaluation of the Mexican peso is drawing prospective visitors away from the Caribbean, say some hotellers. A visitor can have two weeks in Acapulco, the Mexican resort, for the price of one week in Barba-

been, say some hotellers. A visitor can have two weeks in acquico, the Mexican resort, for destinations in the region, the price of one week in Barbados, one reported.

If, however, that Caribbean does attract more tourists, the region would build on a steadily expanding market. "The Caribbean in 1986.

Officials in the region say there that it could cause nationalist grievances to surface elsewhere in the Soviet Union.

A prominent Uzbek writer, Mr Timur Pulatov, wrote in the liberal Moscow News that even after nationalist riots in the Central Acquirement works.

Officials in the region say there the leadership's appears to reflect the leadership's workles that it could cause nationalist grievances to surface elsewhere in the Soviet Union.

A prominent Uzbek writer, Mr Timur Pulatov, wrote in the liberal Moscow News that even after nationalist riots in the Central Acquirement works.

expanding market. "The Caribbean out-performed most other
competing, warm weather destinations in the European market
that been only a small decline in
nations in the European market
that been only a small decline in
the number of calls and the voltime of visitors, as cruise holitime nessarch and Development
centre reported. "Tourist arrivals
from Europe, including the UK
were up by over 30 per cent in
the year to September, with West

Caribbean in 1986.

Caribean out of calls and the volution in December 1986, and Karabakh, Soviet propagandists in these regions pretended there were no problems.

Pravda also sharply attacked another source of information about the unrest, Mr Sergel Cri-

another source of information about the unrest, Mr Sergel Gri-goryants, a dissident publisher

One of them was Mr Airlkyan whom it called a convicted crimi

FINANCIAL TRANSCO.

190640, published dully except Sundaya and holidaya. US subscription rates \$365.00 per assess. Second-test post-age and at New York NY and at additional mailing offices. POSTMASTER thousand mailing offices. POSTMASTER Street, New York NY and Street, New York NY ANNIAL



## Market crash blamed for fall in Caribbean tourism

**OVERSEAS NEWS** 

national stock markets in the final quarter of last year, Caribbean brokers hardly moved a muscle. The region's exchanges, with only local listings, were insulated, they argued. Only now are the effects of October's crash being felt - not in the markets, but in the fickle tourist trade. Travel agents, hoteliers and finance ministers are pointing to soft bookings in a period — winter in the northern hemisphere — which is traditionally the high season for Caribbean tourism.

They begree the colleges of the They blame the collapse of the stock markets and suggest that the steady expansion in the industry over the past four years could be halted this year.

The Caribbean had e record 9m

"Before the stock market sugar, bauxite and oil are falling crash, we were anticipating a so many countries have been bumper 1988," said Mr Jean developing their tourism infra-Holder, executive director of the structure and increasing their Caribbean Tourism Research and earnings from the travel trade.

positive. We now have to admit ings p that because of the stock econo-exchange crash which started in incres October, there has been a fall in in .

visitors last year, an improve-ment of 10 per cent, after growth of 6 per cent in 1986. The indus-try had projected another 10 per cent growth this year - a target which Mr Holder suggests will The setback could not have come at a worse time for the

industry, Earnings from traditional commodity exports such as sugar, bauxite and oil are falling About 60 per cent of the

Discovery is a never ending process.

WHEN COLUMBUS DISCOVERED AMERICA, WE HAD ALREADY CELEBRATED OUR BICENTENNIAL

ings promises a setback for those economies which have depended increasingly on tourism.

in Jamaica, for example, tour-ism has overtaken bauxite as the cent leading foreign currency earner. The region's earnings from the travel trade last year are estimated at \$6.3bm, up from \$5.6bm Travel agents and tour opera-

tors in the US report that bookings this month for Caribbean holidays are down by about 20 per cent. They say there is con-cern among prospective travel-less over the state of the US econ-

But Mr Edward Seaga, Jamaica's prime minister, has forecast an improvement, at least for the island's tourism. While there has been a decline in book-

Barbados. "We had looked at the prospects for the North American and European markets, and had concluded that the outlook was iter arrivals and reduced earnings promises a setback for those are signs of a reversal. Visitor arrivals ings promises a setback for those are the ings in Jamaican hotels — which he also blames on the stock markets, and had concluded that the outlook was iter arrivals and reduced earnings promises a setback for those also in the island in November of least warr were 1 ner cent less last year were 1 per cent less than November of 1986, and the

> Mr Holder said, however, that the situation for the Caribbean was not irretrievable. "There are two things in our favour. Firstly, the weather is bad in North America, and European curren-cies are strong against the dol-

volume for December fell 12 per

While a bad winter could drive shivering North Americans to the Caribbean, a leading Puerto Rican hoteller admits, Europeans will get a better bargain with Caribbean hotel prices quoted in US dollars.

"A year ago, a double room in a good resort hotel in the Carib-

## Saudis may allow US to

experts inspect medium-range missiles acquired from China if Washington guarantees Israel will not attack them, an Arab diplomat said yesterday, Router reports from Amman.

I believe Saudi Arabia will

The arrangement would be Saudi Arabia plans to slash by agreed during the current tour of the Middle East by Mr George Shultz, the US Secretary of State, he added. two-thirds the number of Iransians allowed into the kingdom for this year's Haj pilgrimage to the holy Moslem city of Mecca, the

Mr Shultz is in Israel and is expected to visit Riyadh, tha

Saudi capital, on Thursday.

confirm an assurance against Israeli attack given by Washing-ton after Israeli officials said they

"The exact number has not

Saudi leaders were concerned about a possible leader pre-emptive strike against the Chinese ground-to-ground rockets which can carry nuclear warheads, the diplomat said.

Giving inspection rights to the US was aimed at limiting damage to Saudi-US relations caused by Saudi Arabia's secret purchase of the CSS-2 missiles, which could

US was aimed at limiting damage ing Iranian pilgrims.

to Saudi-US relations caused by Saudi Arabia's secret purchase of the CSS-2 missiles, which could reach Iran or Israel.

"Riyadh wants its ties with the sectority lotters and memoristration in Iranian pilgrims.

The diplomat said West German police arrived in Saudi Arabia last month to provide riot control training. This year's pilgrimage begins in mid-July.



**JACOBS SUCHARD** 

**Notification Addressed to** the Holders of Warrants of

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Jacobs Suchard International Finance (Cayman) Ltd., Cayman Islands

At its meeting on March 8, 1988, the Board of Directors of Jacobs Suchard Ltd., Zurich, resolved to propose to the shareholders an increase in the share capital at the Ordinary General Meeting of Shareholders to be convened on April 26, 1988. The Board of Directors of Jacobs Suchard Ltd., Zurich, further decided at its meeting on March 8, 1988, subject to the concurrent approval of the aforementioned capital increase by the General Meeting, to grant the holders of participation certificates a subscription right at analogous terms and conditions as those granted to

The new securities offered for subscription to the present shareholders end holders of perticipation certificates shell be emitted to the dividend as of January 1, 1988. The subscription price and the subscription terms shall be announced at the General Meeting on April 26. Provided that the capital increase is carried out in the form as planned, the prices of the warrants for the subscription to participation certificates will be reduced effective May 23, 1988, in conformity with the formula specified in the Conditions of the bond issues. The new warrant prices will be announced as soon as possible after that date.

The holders of warrant certificates who wish to make use of the subscription right, are invited to exercise their warrants

not later than Friday, April 15, 1988

at the official agents listed below:

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Zurich, April 5, 1988

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nature's most exciting raw materials. It has a number

of different characteristics. Some we know, others we

are researching, in the knowledge that it can lead to

new products. Through extensive research and development STORA is today one of Europe's leading forest industries, using hi-tech production methods. Fine paper from Papyrus is a good example of our successful exports into the world market, ie to book and magazine publishers

who demand the best possible printing results. STORE We've come a long way from Columbus only progressive companies prosper.



The STORA group has a namover of more than SEK 20,000 million and has approximately 22,000 employees. The Head Office is located in Palan, Sweden, POREST and POWER form the basis business. STORA TRIBBER produces high quality sawn douber and joinery products. Pulp is marketed by STORA CELL, BULLDEED minusfactures packaging papes, board and speciality paper. Plac pages may proport the paper from KVARRSVEDER, HYLTE BURK and STORA FOREST PUBLISTRIES. Other mills are BERGVIK KERII (chemicals), STORALENE (non-woven fabricals) and chemicals and the STORA MINE (the Palum Mine, red paint pigment and sulphur chemicals). All research and development is carried out by STORA TECHNOLOGY.

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#### Delvalle cautions on **Panama** sanctions

By Slowert Fleming, US Editor, in Washington

PANAMA'S deposed president, Mr Eric Arturo Delvalle, who is still recognised as head of gov-ernment by the US, has expressed his opposition to any intensification of Washington's ssure to drive General Manuel Noriega, Panama's military a, from power.

Mr Delvalle's views, reported yesterday in the New York Times, could influence the debate aging within the Reagan Administration over what steps Washington should take next in its efforts to remove General Notiega, who was indicted on February 5 in the US on drug smuggling and racketeering

Mr Delvalle, who is in hiding in Panama, said there was no need for the US to take additional need for the US to take additional steps. "If the US continues the present pressure that will be enough," he said, adding that General Noriega "is desperately in search of funds and he isn't getting any."

He added to take additional totalled 24.6m cubic metres, about 166m barrels, little different from the 1966 level. Imports are estimated privately at over half a million cubic metres last year.

YPF's acute financial difficulties are setting any."

might generate a negative effect towards the US and might not provide immediate effects."

The Reagan Administration is

this week reinforcing its already strong garrison in Panama, des-patching a further 1,300 troops there to reinforce its security force guarding the Panama Canal Last month it doubled the canal security force from 600 to

In addition there are some 10,000 troops stationed in Pan-ama, which is the headquarters of US Southern Command.

Several weeks of mounting pressure from Washington, which has helped to close down the banking system and deprive cash it needs to pay government workers, have so far failed to bring about the downfall of Mr Noriega. This has triggered a flerce debate in Washington about what the next steps should

US officials have indicated that a wide range of diplomatic, politi-cal and military options are under consideration but that no decisions have been taken yet. There are indications, however that the State Department feels that the pressure on General Noriega to quit should be intensified further immediately. How ever, the Pentagon is reportedly unenthusiastic about moves which could involve the US in

#### Inflation gathers pace in Peru

By Barbara Durr in Lime

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(100 000

month hit 22.6 per cent, the highest in the country's history. The abrupt increase, following 12.8 per cent in January and 11.8 per cent in February, put inflation at 1798 per cent during the last 12

Some independent economists are predicting that Peru's inflation will race ahead to more than 500 per cent this year.

The government is hoping that the petrol, food and other price increases it announced early last month have been absorbed in a single blow, and that the price freeze if imposed will now reduce the price in the price of the price in the price of the price in the price of the price o April's inflation to less than half March's rate.

The government appears to be aiming to contain inflation at 200 per cent this year, but there is a lot of scepticism about its

While the government is making efforts to monitor its price controls, hoarding and speculation are widespread.

### Argentina to open oil fields to private companies

PRIVATE SECTOR oil companies fields where YPF has failed to

BY OUR BUENOS AIRES CORRESPONDENT

are to be allowed to operate achieve optimum output rates. Of Argentine oil fields, until now 289 fields operated by the corpoferos Fiscales.

The policy, approved late last week by President Raul Alfonweek by President Raul Alfon-sin's full cabinet, was an impor-tant shift from decades of state domination in the oil sector, industry sources said. "Past plans have centred on intentions rather than production," one

stagnating oil output, which threatens to force Argentina to

ing losses and overseas debts now estimated at some \$4bn, are also thought to lie behind the new policy drawn up by the Pub-lic Works Minister, Mr Rodolfo

Terragno. cases, the intention seems to be independent companies have to prop up the corporation," he long pressed to be allowed into

the sole domain of the state oil ration, 247 provide barely 12 per corporation, Vacimientos Petroli-cent of its total output.

These "marginal" fields can now be operated by private of YPF. In another key break with the past - when companies were obliged by law to sell every drop of their output to YPF - they will now have free availability of their share of production. Oilot completely clear yet. YPF will not surrender title to

fields covered by the proposed 20-year "association" accords. The plan includes several other benefits for YPF: private sector partners will pay it an "explora-tion right" and they, in turn, will carry all new investment risk and pay all provincial taxes, roymum 18 per cent "surcharge" on total oilfield revenue including the share to be held by YPF. off YPF assets, as the Govern-ment has been urged. "In some

TIRELESS Congressional aides backed by other assets.

celebrated into the small hours Six months after enactment of after the resounding vote in the legislation, banks would be Senate late last Wednesday in allowed to underwrite mutual ayour of sweeping reform of the funds and corporate bonds. The 1933 Glass-Steagall Act which would allow banks access to the power to underwrite corporate equities would depend on an business of securities houses and expedited vote in Congress in As glasses were raised to

Even in the euphoria after the nd what was a personal vic-Senate vote, one Congressional tory for Senator William Prox-mire, the redoubtable chairman of the Senate Banking Committee law. Mr Don Crawford, Washington representative of the Securi-Congress, thoughts were already turning to the battle which awaits in the House of Represenrities industry, believes the Proxmire bill represents a high water mark for the banks for whom last Wednesday's vote was plainly a The 94 to 2 vote in the Senate in favour of the Senate Banking

Committee's Financial Modernisation Act was more conclusive than even the most optimistic The focus now turns to the House where some of the stiffest supporters of reform had hoped. opposition to greater powers for afternoon to express discomfort with some of the bill's provisions. mittee turfs will have considerable say in whether anything united stand around Senator Proxmire which would send a . They are Mr Fernand St Ger-main, chairman of the House Banking Committee, and Mr John Dingell, chairman of the Energy and Commerce Commit-

would give US commercial banks immediate authority to under-write commercial paper, munici-pal revenue bonds, mortgage-Mr St Germain's so-called "committee print" is, at this stage, the main rival to the Proxtive, allowing banks only three

Despite a Senate win, the Proxmire bill may have only a 50-50 chance, says Janet Bush

Tough time ahead for US banking reform

ment. There is then even the pos-sibility thet the bill would be sound regulatory framework.

The banks' view is that they mittee and then by the House Rules Committee.

The banks' view is that they would rather be given expanded powers by law than by default.

Since the St Germain proposals were published a fortnight ago, they have attracted widespread criticism, not least within the House Banking Committee itself. According to Congressional

aides, support has steadily been building behind Representative Stephen Neal Democratic cancus chairman on the committee, who may introduce substitute legisla-tion modelled on the Proximire

No one yet knows quite how much support can be mustered by Mr Neal. As chairman of the nittee, Mr St Germain has a great deal of muscle and can

new securities powers. It would that, if anything as restrictive as also require banks to comply the St Germain proposals looked with much stricter consumer pro- to be gaining political ground,

According to House regula- victories in the courts, aided by tions, any bill passed by a major- the support of the US Federal ity in the House Banking Com. Reserve, allowing them increased mittee would then go to the access to the securities business. Energy and Commerce Commit- If no legislation is passed, this tee for study and possible amend- quiet erosion is likely to continue

This potentially tortuous proce-bave thrown their weight behind dural route is one of the main the Senate bill and will now work threats to legislation given the hard to stop Mr St Germain in

before Congress breaks up for the November election.

draw their immense lobbying power at any stage, a threat power at any stage, a threat which may keep the legislative

momentum going. There are a number of other factors which are positive for the Proxmire bill. Mindful of past difficulties in tabling proposals for reform of Glass-Steagail, it was drafted carefully to please as many of the powerful industry lobbies as possible.

It also has the support of the US Treasury which regards the Proxmire bill as the absolute minimum deregulation and the St Germain proposals as completely unacceptable.

No one in Washington is prepared to bet on any legislation being enacted this year. So many intangibles could come into play. been trying to bury the stigma of its insider trading scandals. anks have had the upper hand in lobbying Congress. However, if the troubles with Texan banks begin to deepen, which many expect, the banks could find themselves losing the public rela-tions battle.

In favour of legislation is a general desire among politicians to be seen to be active in election year. Perhaps as important a fac-tor as anything is a measure of sentimentality at the end of Sena-tor Proxmire's long political career. One of his strongest cards is the affection of colleagues who want to see him retire on a tri-

### **Judge orders** Bhopal payments

Pradesh yesterday ordered Union Carbide to deposit 2.5bm rupees (\$190m) with the Bho-pal trial court within two months as payment of compen-sation to the victims of the 1984 gas leak disaster.

The ruling resulted from Union Carbide's appeal against an earlier ruling that it should Rs3.5hm in interim relief

More than 2,000 died and more than 200,000 were injured by the gas leak from the Union Carbide pesticide plant in Bhopal in December. 1984 in the world's worst industrial disaster. Union Carbidustrial disaster. Union Carbidustrial

Union Carbide, a US-based multinational, had argued that a grant of interim relief could government suit. But Mr Jus-tice Seth reduced the amount to be paid, and said: The pay-ment is not for interim relief but as damages under the sub-

This comment caused some confusion in Indian legal chrcles. It appeared to link the payment to the merits of the Indian government's \$5 in law-suit against Union Carbide, which is still pending, rather than the side issue of interim relief dealt with by the earlier hearing.

The judge said that my fur-ther delay in extending the appropriate relief would have grave and tragic consequences. grave and tragic consequences.
Any delay in making the payment, the judge said, would leave it open to the Indian Government to execute the court order as if it were a decree passed in favour by the trial court.

Union Carbide said it would study the ruling before decid-ing whether to appeal to India's Supreme Court,

## Before we announce a breakthrough in office information management, here's how to pronounce it:

'zy-oss'

IT'S ACTUALLY SPELT XIOS

The Senate bill, which is expec-

bill in honour of its main author,

XIOS Systems builds on a proven and powerful capability that integrates information in modern offices; the. best word processing capability in the world (AES); and 1200 employees, focused on solutions in over 30 offices in Canada, the United States, the United Kingdom, and Europe. We are part of the billion dollar Kinburn Group.

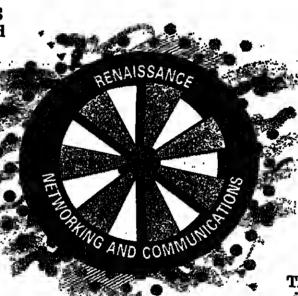
The breakthrough? Our sole *purpose* is to help you manage information more effectively; not push technology.

THERE'S MORE TO IT

The effectiveness of your office depends on the interaction of your people, their tasks, the technology they use, the way they are organised, their direction, the information they share, and their surroundings. Technology alone is not enough.

DOING MORE WITH MORE

Our goal is to help you do more with more. That means adding value to what you've got by making your current investment in office technology do more for you.



We'll also help you make more strategic use of your people, their knowledge, their creativity, and the information they share to contribute more to your success. XIOS solutions provide a clear alternative to "exclusive vendor" relationships. You'll be able to choose the best technology. determined by your users' needs, not by what can be plugged into

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The first step in making your office information management systems more effective is simple; it's a phone call.

We will then introduce you to your XIOS Information Management Support Team. This team will supply a specialist for every spoke in our information management wheel. The solution will be built, organised, and introduced to satisfy your unique needs. Call Freephone: XIOS SYSTEMS or return the coupon for more information on XIOS office information management solutions.





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#### **ISSUES OF GOVERNMENT STOCK**

£250 million 2 per cent INDEX-LINKED TREASURY STOCK, 1992 £150 million 8 per cent TREASURY STOCK, 1991

The price paid by the Bank on issue was in each case the middle market price of the relevant Stock at 3.30 p.m. on 30th March 1988 as carbited by the Government Broket.

In each case, the amount issued on 30th March 1988 represents a further transhe of the relevant Stock, ranking in all respects peri passe with that Stock and subject to the terms and conditions applicable to that Stock, and subject also to the prevision contained in the final paragraph of this notice; the current provisions for Capital Gains Tax are described below

Application has been made to the Council of The International Stock Exchang for each further transfer of atpok to be admitted to the Official List. Copies of the prospectuses for 2 per cent index-United Treesury Stock, 1982 dated 13th February 1987 and 8 per cent Treesury Stock, 1991 dated 17th July 1987 may be obtained at the Bank of England, New Issues, New Change, London, EC4M 9AA.

The Stocks are repayable, and interest is payable helf-yearly, on the dates shown below in the case of 2 per cent index-Linked Treasury Stock, 1992 provision is made in the prospectus for stockholders to be offered the right

8 per cent Treegury Stock, 1991 is repayable at per.

Both the principal of and the interest on 2 per cent Index-Linked Treesury Stock, 1992 are indexed to the General Index of Retail Prices. The index figure relevant to any month is that published seven months previously and relaxing to the month of laste of 2 per cent Index-Linked Treesury Stock, 1992 is that relating to June 1996 (395.8). The Index figure will be used for the perposes of calculating payments of principal and interest due in respect of the further strenche of stock: as provided for in the prospectus, the calculations will take account of the revision of the ladex to a new bess of Jensery 1987 = 100 (on the old base the Index for Jensery 1987 was 394.5).

August of the previous year

July February of the same year The further tranches of 2 per cent index-Linked Treesury Stock, 1982 and 8 per cent Treesury Stock, 1981 will rank for a full six months' interest on the next interest payment date applicable to the relevant Stock. Official desirage in the Stocks on The International Stock Exchange are expected to commence on Thursday, 31st March 1988,

2 per cent Index-Linked Treasury Stock, 1992, and 8 per cent Treasury Stock, 1991 will be specified under personaph 1 of Schedule 2 to the Capita Gelens Tax Act 1979 as git-edged securities, funder current legislation en

BANK OF ENGLAND 30th March 1988

#### Off-the-ball incident threatens **World Cup**

By John Wyles in Rome AFTER a perilous penalty area incident, the Rome city council appears to have just avoided scoring an own goal over the staging of the 1990 World Cup

soccer finals. Showing an uncharacteristic turn

from lialy.
The problem is that RAI, the national television network, does not yet have permission to build a vital L30bn (\$24m) Mr Joseph Blatter, the Fifa secre-tary general, threw the Italian soccer fans into a state of tension by warning that the finals could be switched to Mexico or

and Green parties.

RAI's choice, near the banks of the Tiber and the stadium where some of the matches will be played, is destined to be parkland and, therefore, follow-ing traditional Italian social practices, the venue for more amatory communications. Fittingly, the Fifs-Rome clash could enable the owners of the

proposed site to scoop the pool.

RAI needs to buy the land soon
and the proprietors know how
this will add to the value of
their assets. But RAI expects their ambition to be curbed by the knowledge that the response to excessive greed would be forced expropriation. Nevertheless, there is still some pressure on the Italian defeace. Unless Mr Blatter agrees to go into extra time, he presumably will expect the land purchase to be underway, if not completed, by the time of his next visit to Rome in May.

The ball therefore is still bob.

The ball, therefore, is still bob-bing around the Italian goalmouth and a swift deal over 200,000 sq metres of unpreposessing terrain is needed to kick it into touch.

Haig Simonian in Frankfurt talks to Hesse's doughty leader, Walter Wallmann

## Nuclear power champion ready for a fight

If is one year to the day that Mr Walter Wallmann, one of West Germany's most prominent younger Christian Democrat politicians, won control of the state of Hesse in a cliff-hanging vote which brought the CDU to power for the first time since the Second World War.

Since that natibilities election visits

Since that nail-hiting election night, when an apparent stalemate turned into an unexpected CDU - Free Democratimajority of 11,000 wotes, much has heppened in Hesse.

Showing an uncharacteristic turn of speed, the council has packed its defence against a threat from Fifa, the international soccer federation, to take the staging of the finals away from Italy.

The problem is that RAI, the national television network, does not yet have permission to build a vital Labbn (\$25m) telecommunications certain.

Yet the affair has not dented by Well.

Yet the affair has not dented Mr Wallmann's support for nuclear power, nor apparently has it damaged his image as a pragmatist ready to pull out all the stops to stimulate economic growth.

He was, after all, the first Christian

West Germany unless Fifa was confident by early May that the centre would be built.

The consequent dangers of ugly crowd behaviour prompted the Rome council to go into emergency session earlier this week and to agree that the centre should be built on a site about 5km away from the one chosen by RAI — a decision hotly contested by the city's Communist and Green parties.

He was, after all, the first Christian rods halps to explain Mr Wallmann's drive to fight the Greens and those in the SPD who want to close the installation and move the country away from mucleur power altogether.

"I want this fight," he says, pointing in the wake of the Chernobyl disaster.

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"I want this fight," he says, pointing in the wider economic consequences should the anti-micken laby gain sway.

Would Mr Wallmann, who has been that the time, The main reason is that he to Chancellor Kohl, consider returning to

late disclosure of the affair may have helped the CDU's election chances.

"I want the conflict about nuclear energy with the SPD (Social Democrats) and the Greens," he asserts. "It is true, I'm somewhat helder than other CDU politicians on the subject". That heldness stems from a conviction, increased during his time in Bonn, that nuclear power is by far the lesser of two evils when it comes to the world's long-term energy comes to the world's long-term energy

"Weigh up which is the greater danger", he says, reaching for a tome on world population growth and the pace of industrialisation and power consumption to China, in particular. Thus polluting the earth's atmosphere through burning increasing amounts of fossil fuels will be

a far greater problem than nuclear energy, he argues.

The fact that Hanan supplies some 90 per cent of West Germany's nuclear fuel rods helps to explain Mr Wallmann's drive to fight the Greens and those in the SPD who want to close the installation

Hom, especially if that helped his case? I see my job here in Hesse", he says. At 55, "this is the last task that I will do."

A single four-year term to Hesse will not be long enoughto perform the same economic turnaround he undoubtedly achieved in Frankfurt during his eight years of office. Even its critics admit the city, once deemed ungovernable, has improved beyond recognition. Architecturally it has made strides, while in business terms it has asserted their not just as the country's financial centre but almost as a crypto-capital. Even its sky-scrapers, once derided, are now envied.

"I changed a town," says Mr Wallmann, "now I'd like to do the same in Hesse". He claims there are already signs that the

"now I'd like to do the same in Hesse". He claims there are already signs that the state's economic growth, below the national average since 1982, is picking up now. But he demies it is just the inck of structural economic change which has let a city like Frankfurt, where services are uppermost, to advance at the expense of like-sized and once grander counterparts such as Düsseldorf, near the industrial Rubr.

"Frankfurt had a clear will," he says.
"It's not just the luck of geography that attracts companies to a town. "One has to

Art and culture are particularly promi-nent in this credo. Mr Wallmann talks of "the city as a place of Culture, and the the city as a place of Culture, and the lig city as the centre for High Culture." Good people were attracted to Frankfurt not just professionally, but by having things to do in the evenings, too. Some locals, looking at many of its often-deserted streets after shop-closing

time, might disagree. Others note the heavy debts built up as Mr Wallmann initiated developments like new museums and a slick rapid transit system. Now he plans to extend the formula to Hesse. The south of the state, around

Frankfurt, is economically well-off, but there are black spots to the north. "Hesse as a Kulturiand," is the theme now. In particular, international cultural showpieces like the four-yearly Doku-menta art exhibition in Kassel are events

to exploit. Optimism and confidence are stressed throughout.

It is an appealing formula, not least because of Mr Wallmann's own enthusiasm and seeming conviction. Yet for all his regional commitment, the possibility of a return to Bonn, and maybe one day
the Chancellorship, always recurs.

Chancellor Kohl had already rung
twice about other unspecified jobs before
Mr Wallmann accepted the sensitive environment portfolio after Chernobyl and to
the run-up to the Lower Saxony elections,
which many expected the CDU to love He which many expected the CDU to lose. He agreed because the job was such a chal-lenge at the time. Likewise earlier in Frankfurt, Mr Wallmann relished the idea of running a town with a terrible reputation where no-one thought the

CDU had a hope.

To judge by his sanguine comments about the state of the federal government. about the same of the federal government, today, it is inconceivable that a trouble-shooter might ever be needed in the capital. But for all his regional commitment, the entreprising lift Wallmann may find it hard to resist the challenge of the top should it ever come his way.

### Jobless tide rises in south Italy

BY JOHN WYLES IN ROME

STRADILY rising unemployment in southern liuly is highlighting the need for priority to be given to a better development strategy for the region by the coalition Government which Mr Ciriaco De Mita, the Christian Democrat leader, is trying to assemble.

According to the quarterly survey by Istat, the national statistical service, the southern unemcal service, the southern unemployment rate has risen from 18.4
per cent in January 1987 to 20.6
per cent last January. This compares with a fall from 8.2 per cent from 2.803m last January to to 7.6 per cent in the north and 2.2945m.

The southern the cent in the cent i

ALITALIA air services out of Italy are again in jeopardy following the rejection by 24,500 airport ground staff of a three and a half year pay deal, writes John Wyles. The agreement, reached with the help of ment, reached with the help of government mediation after six months of strikes and go-slows, was rejected at the weekend by 53-47 per cent.

stationary 10 per cent to the cen-tre of the country.

Unemployment rates among women and the under-30 age Overall employment in Italy group are topping 30 per cent or rose by 55,000 over the 12-month; more in parts of the south, partly period with the north and centre as a reflection of a national ment incentives and develop registering 95,000 more jobs and decline in agriculture (133,000 new intrastructure projects. the south losing 41,000. But fewer jobs since January 1987) These and all his other pro-

ing the 12 months.

A new law passed in 1986 has dedicated no less than L120,000bn (532.5bn) to the development of industries and infrastructure in the south over a 10-year period. But the key obstacle to a successful prosecution is a lack of planning and execution capacity at regional and provincial levels, particularly in Calabria, parts of Basilicata and Sicily. As a result, spending tends to fall far short of target levels.

In his draft programme for the next Government, Mr De Mita has limited himself to general proposals for reducing social charges on employers in the Mes-rogiomo, providing fresh invest-ment incentives and developing

These and all his other proposdemographic trends, plus the and partly because the region is als for a government programme desire of a growing number of not benefiting proportionally have been criticised by the other housewives to enter the work- from the growth of jobs in section parties as force, means that the total of vices which rose by 216,000 durbeing far too general.

### Drugs search stepped up after big police swoop

some years ago, this latest Mafia enterprise has introduced a new

This was the basis for the previously discovered.

TTALIAN police will be stepping to their searches for herein refineries in Sicily and Calabria this week after more than 100 arrests in the US and fialy of suspected Maflori involved in an extensive and sophisticated international drugs trade.

The co-ordinated strike by halian magistrates, the US Federal Bureau of Investigation and the US and 69 in Naples, Catanzam magistrates, the US Federal are not only of the Sicilian Mafla but also of its authonoma sunhorities as a mortal blow to a trafficking network which has yielded untold profits.

Nickmamed "Plata Connection It is succession to an elaborate Italo-American trade amashed some years ago, this latest Mafla but also of its authonomous cousin in Calabria, the 'Ndrangheta, and of the Naples Camorra.

While links, some of blood, between the Sicilian Mafla and the American Cosa Nostra are longstanding and well-estables the credition between the strengthen between the property of the sicilian Mafla and the American Cosa Nostra are longstanding and well-estables the credition between the strengthen to the property of the sicilian Mafla and the American Cosa Nostra are longstanding and well-estables and the collition between the strengthen the property of the sicilian property of the sicilian Mafla and the American Cosa Nostra are longstanding and well-estables and the collition between the scription and the property of the sicilian property of the US. The beauty of the US. The US enterprise has introduced a new longstanding and well-estab-rate of exchange to international lished, the coalition between the commerce – lkg of beroin equals three lialian underworlds may well be more established.



## TO HOLDERS OF DEBT SECURITIES OF TEXACO INC., TEXACO CAPITAL INC. AND TEXACO CAPIT

### Notice of Establishment of Special Record Date and Payment Date

The Second Amended Joint Plan of Reorganization (the "Plan") of Texaco Inc., Texaco Capital Inc. and Texaco Capital N.V. was confirmed by the United States Bankruptcy Court by order (the "Confirmation Order") dated March 23, 1988 (the "Confirmation Date").

As provided by Bankruptcy Rule 3021, the record date for registered debt instru-ments will be opening of business on the Effective Date of the Plan which is scheduled to be fifteen days after the Confirmation Date (currently, April 7, 1988). Subject to any stay of the Confirmation Order and satisfac-

tion of other conditions set forth in the Plan, payments will be made with respect to the debt issues listed below on the day after the Effective Date (currently April 8, 1988) or as soon as practicable thereafter.

Payments will be made in the customary manner as provided in the debt instruments.

Bearer coupons and matured debt securities should be presented to the Paying Agent or Trustee for payment. Payments of interest to registered holders will be made by check mailed one day after the Effective Date to the holder of record as of the opening of business on the Effective Date.

Name of Issue	Trustee/Fiscal Agent (See legend below)	Amount Payable Per Issue	Name of
TEXACO INC.			TEXACO CAPITAL II
534% Debentures due 07/15/97 734% Debentures due 06/01/01 876% Debentures due 05/01/05 81/2% Debentures due 04/01/06	MHTCO MHTCO MHTCO Chase	\$ 4,184,375.98 9,866,191.67 21,068,131.97 13,991,294.88	Extendible Notes 10% Euronotes de 10% Euronotes de 11%% Euronotes
TEXACO CAPITAL INC. 127/8% Euronotes due 09/01/87	B of A	364,904,886.72	11% Notes due 08 9% Notes due 11/
1276% Euronotes due 09/01/92	B of A	15,237,338.34	TEXACO CAPITAL N
Extendible Notes due 06/01/99 and tendered for repayment Extendible Notes due 01/15/00 and tendered for repayment	Chase Chase	415,400,191.62 445,489,803.01	1134% Convertible Debentures du 1176% Convertible Debentures du
13% Notes due 08/01/91	Chase	68,685,138.89	131/2% Euronotes
135%% Notes due 08/01/94 Extendible Notes due 01/15/00 Extendible Notes due 03/01/00	Chase Chase Chase	70,007,807.05 12,263,695.86 35,089,453.13	934% Euronotes 101/2% Euronotes 101/2% Euronotes

The second of the country of the second of t	OTTO TO LICOUTE DEED.	
Name of Issue	Trustee/Fiscal Agent	Amount Payable Per Issue
TEXACO CAPITAL INC. (Continued)		
Extendible Notes due 06/01/99	Chase	\$17,027,469.14
10% Euronotes due 08/29/95	Chase	31,825,000.00
10% Euronotes due 09/19/90	Chase	26,381,944.44
111/8% Euronotes due 05/15/95	UBS	30,588,631.73
11% Notes due 08/15/89	Irving	34,441,916.67
9% Notes due 11/15/88	Irving	28,572,750.00
TEXACO CAPITAL N.V.		
113/4% Convertible Subordinated Debentures due 05/15/94	Bankers Trust	64,943,637.15
11%% Convertible Subordinated Debentures due 35/01/94	Bankers Trust	131,950,629.34
131/2% Euronotes due 08/01/89	Chase	29,500,875.00
93/4% Euronotes due 03/01/90	Chase	14,771,554.69
101/2% Euronotes due 11/15/90	Chase	21,875,875.00
1 101/2% Euronotes due 11/15/93	Chase	995,133.55

Lesend: MHTCO-Manufacturers Hanover Trust Company/Ch Dated: March 31, 1988

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The Volvo 740 GLE is every bit as luxurious as the car below it.

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## Hunt for Manila coup bid fugitive

BY RICHARD GOURLAY IN MANUA

effort to recapture the leader of a coup that narrowly failed to topple President Corazon Aquino in gower, Honasan had developed a large popular following and retained support in the military long after his failed coup.

In a desperate the leader of a coup that narrowly failed to topple President Corazon Aquino in power, Honasan had developed a large popular following and retained support in the military long after his failed coup.

It is a support in the military long after his failed coup.

Yesterday in a desperate and place Mrs Aquino in power, Honasan had developed a large popular following and retained support in the military long after his failed coup.

Yesterday in a desperate and place Mrs Aquino in power, Honasan had developed a large popular following and retained support in the military long after his failed coup.

THE Philippines army widened sort out "pressing family prob- nand Marcos and place Mrs Juan Ponce Rurile, Honasan's

Analysts were surprised that Honasan's escape should have caused such an official and prilast August.

Gregorio Honasan escaped from a poorly guarded prison at the weekend along with 14 of his "guards". The army said they had no idea where he was or how he and the guards were able to flee in rubber boats.

It also said six other officers involved in the coup attempt and an earlier one last January who "escaped" from military custody had in fact only left the camp to last opple President Ferdi
Testerday, with the discredited coup leader on the loose a mild bas rarely looked as stable political and private overreaction. Mrs Aquino has rarely looked as stable political immediately quietened the sharply on Manila's two there are no signs that Honason exchanges, and Mrs Aquino coup leader on the loose a mild bas rarely looked as stable political immediately quietened the sharply on Manila's two there are no signs that Honason broke off her Raster holiday to preside over a long emergency higher pay for troops and a rounder paint of the coup higher pay for troops and a stable political and private outpelled on the loose a mild bas rarely looked as stable political manediately quietened the sharply on Manila's two there are no signs that Honason broke off her Raster holiday to preside over a long emergency higher pay for troops and a caused such an official and private outpelled on the loose a mild be rarely looked as stable political outpelled on the loose a mild bas rarely looked as stable political outpelled on the loose a mild be removed to the exchanges, and Mrs Aquino could successfully lead another broke off her Raster holiday to there are no signs that Honason broke off her Raster holiday to there are no signs that Honason broke off her Raster holiday to there are no signs that Honason broke off her Raster holiday to the exchanges, and Mrs Aquino for the couple successfully sale another broke off her Raster holiday to the exchanges and manila's two there are no signs that Honason broke off her Raster holiday to the exchanges and more an exchange of the particular to the couple and the private out



### The future of the US bases in the Philippines may be in doubt, writes Richard Gourlay Filipinos ponder price of real independence

PHILIPPINES

THE American military bases in the Philippines lie heavily at the heart of relations since the Second World War between the US and its former colony.

The desire to retain its bases led successive US administrations to support President Ferdinand Marcos long after it became clear he was emptying the coun-

As early as 1946 when the Philippines gained its independence, General Dwight D Elsenhower warned that the continued D Eisenhower warned that the continued presence of bases would prevent the growth of a partnership between equals.

Today the complex post-colonial relationship is once again under the microscope as the two countries review the 41-year-old Military Bases Agreement.

They are launching a process that will shape the way the US military continues to exert influence into the 21st century in a region stretching from Guam in the Pacific to the Indian Ocean and the Gulf.

The five yearly operational review is

The five yearly operational review is not the start of formal negotiations for a new bases agreement — or US with-drawal — after the current agreement-expires in 1991. Nor is there much chance that the Philippines will ask Washington to leave before then — President Corazon Aquino has said repeatedly that the current agreement will be honoured until that date.

The talks really boil down to how much the US should pay for the last three years of the agreement. Much more, says the cash strapped Philippines, citing the amounts that Greece, Spain and Portugal

But there is an almost universal feeling that this review is a dress rehearsal for the crucial renegotiation talks and that they might even blend into one another. For example, some US Congressmen concerned with their own budget deficits wonder why the US should pay much more if the bases are to go after 1991.

To many Filipinos - and not only

anti-Americans or leftwingers — the issue is that the new democracy's hunger for greater independence is incompatible with US bases on Philippine territory.

While the US is not insensitive to this, the bottom line remains the perpetuation

of American superpower dominance in the Far East. US bases in South Korea, the Japanese mainland and Okinawa combined with the key Clark airbase and Subic naval bases in the Philippines pro-vide a defensive shield off China's sea-board.

This shield protects the sea lanes through which 90 per cent of Japan's oil and 50 per cent of Asia's oil pass. At the same time it keeps an eye on the Soviet Union's submarines, navy and sirforce operating from Vladivostok and other Soviet ports in Asia and from the Viet-namese bases at Cam Ranh Bay and Da Nang, 700 miles west of the Philippines. Soviet diplomais, who accept that Moscow is waking up to its Pacific neigh-bours relatively late in the game, say the Soviet Union is hammed in by this US

As a result Moscow greatly expanded Cam Ranh Bay and its fleet is now astride Asia's sea lanes, according to US information on the bases. Moscow prefers to emphasise its growing efforts to increase regional trade and economic co-

Analysts say that with the array of US forces, bases and alliances in the region, Clark air base and Subic naval base are ntial to American dominance.

Clark is the home of the US 13th Air-force, comprising tactical squadrons fly-ing F-4 Phantom fighter bombers and F-5 aircraft. From Clark's runway, 40 miles north of Manila, US planes can immediately be "on station" patrolling the South

and the second s

China Sea and the approaches to the so-called "choke points" for shipping – the Malacca, Sunda and Lombok Straits. These straits allow the US 7th Fleet based at Subic Bay to move freely into the Indian Ocean and the Gulf. Subic increasingly plays a logistical support function for the US fleet in the Indian Ocean and recently in the Gulf. Subic's dockyards are by far the biggest outside the US and include facilities to lift planes off aircraft carriers, which are available

Among four other small bases in the Philippines is the crucial San Miguel communications base which forms part of a global network sending low frequency messages to the US nuclear submarine

Although the talks will probably boll down to a painful haggle over money, the Philippine Congress has produced one wild card. Last week the Senate defence and foreign relations committees approved a bill that will implement a provision in the constitution banning nuclear weapons from Philippine territory.

nator Wigberto Tanada, the bill's senator wignerto ranada, the bir's chief proponent and a staunch nationalist, says the provision is designed to create a "New Zealand situation" in which the US would have to pledge that its visiting ships are not nuclear armed. As US policy is neither to confirm nor to deny the presence of nuclear weapons the bases would become useless and Washington would be discusded from seeking an extension to the bases represent he an extension to the bases agreement, he

argues.

Mr Igor Rogachev, the deputy Soviet foreign minister told Congressmen last month during a visit that if the US bases go, Moscow would not leave the move unanswered, repeating a vague but increasingly loud promise first made by Mr Michael Gorbachev to the region in long.

### **Opposition** party backs deal with Mugabe

A SPECIAL congress of Mr Joshua Nkomo's opposition Zapu party in Zimbabwe has ratified last December's unity agreement with President Rob-ert Magabe's majority Zama-PF

More than 5,000 delegates at the meeting in Harare at the weekend voted unanimously for the unity deal.

The Zapu congress will be followed by a similar meeting of Zanu-PF on Saturday. This

of Zanu-FF on Saturday. This will seel the unity pact and open the sloot to a unity congress of the two parties, signalling the setting up of a one-party state.

At the congress Mr Nkomo, now one of three senior ministers in President Mugabe's unity cabinet, sounded what will become an increasingly familiar theme when he said unity was essential because of the fight against South African apartheld.

The congress ratification

The congress ratification was little more than a formality since there has been no open criticism of the unity agreement from within either party.

party.

Moreover, there have been no reported incidents of handiiry in the western province of Matabeleland since the agreement, underlining the Zann-PF expeciation that the unity agreement would bring on end to dissident activity in Matabeleland, where Zapu is the dominant party.

Over the past five years, the dissidents, mainly disgruntled former members of Zapu's military wing, have damaged

former members of Zaph's mi-itary wing, have damaged property in parts of Matabel-land and murdered many more white farmers than were killed during the independence war of the 1970s. But since the agreement was signed, the dis-sident campaign appears to have collarsed. have collapsed. Political analysis say that

the real test of the unity deal will come when the united party has to choose his dele-gates and elect its officials. Zapu hardiners will be watching closely to ensure that leading Zapu politicians secure reasonable representation throughout both the party, and the government, including the civil service and state-

### Pace of growth in Turkey raises overheating fears

TURKRY'S economy grew by 7.4 per cent in terms of gross national product (GNP) in 1987. according to the State Institute of Statistics (SIS). The news comes at a worrying time for the governt, faced with overheating in the economy and souring infla

This third and final estimate by SIS is higher than the 6.3 per cent forecast in autumn and far higher than the 5 per cent origi-

higher than the 5 per cent originally targeted.

Growth was again sourced along by industry, reflecting its increasing predominance over agriculture since 1980. Industrial expansion, however, slowed to 9.7 per cent compared with 11.1 per cent the previous year. Agriculture grew by only 1.8 per cent.

The mini-boom in construction on the back of major infrastructural projects and the government-sponsored mass housing programme, which has stoked demand for consumer durables and raw materials, appears to be and raw materials, appears to be slowing. The industry expanded by 6.7 per cent compared with 8.2

per cent in 1996.

The GNP growth indicates that a surge in domestic demand - starting in 1986, when GNP grew 8 per cent - carried through into 1987. In addition, economic controls were relaxed in the run-up

RELATIONS between Iraq and Turkey have chilled following Ankara's refusal to grant Raghdad further credit in 1988, writes Jim Bodgener in

Ankara.

A trade protocol signed on Sunday during a visit to Baghdad by Turkish Prime Minister Mr Turgut Oxal has ended the use of letters of credit in trade between the two countries.

Outstanding Irsui debts to Turkish creditors already total \$1.8bn. The protocol sets a celling on outstanding credit of \$1.4-1.5bn. Turkish businessmen four that trade with Iraq could be halved this year.

foreign exchange out of the bank-ing system and exporters.

So far the medicine appears to be working, as the differential between free market exchange rates and the central bank's daily tariff has stabilised at about 8 per cent compared with 20-25 per cent at the peak of the run on the lits. But many businessmen fear that what was described as a

temporary expedient could last much longer.

There are signs of increasing strains in Turkish society as inflation evodes living standards. Even so, the government recently brought in further taxes on luxu-ries to fund education and health

trois were relaxed in the run-up to the elaction, leading to over ries to fund education and health spending, excessive borrowing, a care, as well as a mandatory widening budget deficit and a savings plan.

The time is ripe for the opposition. Social Democratic Populist.

The problems set off a run on Party (SHP) to formulate new policies that can tap the rising the lira in the unregulated for the problems. The problems set off a run on the lira in the unregulated foreign exchange markets early this swell of dissent, according to year. The government's reaction included an increase in the deposit rate designed to squeeze ruling Motherland Party.

### **WORLD ECONOMIC INDICATORS**

	, KE	% change			
	Jan. 188	Dec.'87	Nev.'87	Jan.'87	hear bresiens pack
f. Germany raste taly etherlands eligible writed Kingdout SA appr	121,5 169,1 217.0 122,2 144,6 154,5 140,4 115,3	121.3 168.8 216.0 123.2 144.7 154.5 140.1 115.5	121.1 168.7 215.4 123.5 144.7 154.7 140.1 115.6	120.6 165.2 206.3 121.3 143.3 149.6 135.0 114.1	+0.7 +2.4 +5.2 +0.7 +0.9 +3.3 +4.0 +1.1

### **Company Notices**

#### **NOVO**

To the Shareholders of Novo Industri A/S

The Company will hold its Annual General Meeting on Tuesday April 26, 1988, at 4.30 pm at the Company's headquarters, Novo Alle, Bagsvaerd, Denmark

#### AGENDA:

1. The Board of Directors' report on the Company's activities in the past financial vear.

Presentation of the Financial State-

- ments, Auditors' Report and Annual Report as well as Consolidated Financial Statements. 3. Resolution concerning adoption of profit and loss account and balance
- sheet, hereunder discharge of Management and the Board of Directors from their obligations. 4. Resolution concerning application of
- profit according to the adopted Financial Statements. 5. Election of members to the Board of
- Directors.
- Election of auditors.
- 7. A proposal from the Board of Directors to the effect that the Board of Directors until next year's Annual General Meeting be authorised to acquire up to ten per cent of the Company's share capital at a price between 90 and 110 per cent of the official quoted price at the time of acquisition.
- 8. Miscellaneous.

Admission cards and voting papers are available by postal application or for collection at the Company's office, Novo Allé, DK-2880 Bagsvaerd, Denmark, on all business days from April S to April 21, 1988, both

days inclusive, between 10 am and 3 pm. Where B Shares are registered by the Company under the holder's name, admission cards and voting papers will on application be issued directly to a shareholder (stating the nominal value of his/her shares). In respect of other shares, admission

cards and voting papers are issued against production of the share certificates or any other documentation considered in the opinion of the Company to be satisfactory, eg, a written statement from a bank approved by the Company to the effect that the shareholder has deposited share certificates identified by nominal value in the bank, that the shares bear no endorsement to the effect that they have been registered under the holder's name, and that the shares will remain deposited in the bank until the day after the Annual General Meeting for which the shareholder requests an admission card. Unless the shareholder specifies an address to which the admission card shall be sent, the admission card must be collected at the Com-

pany's office no later than April 25, 1988.

The Agenda, the complete proposals and the Financial Statements, Auditors' Report and the Consolidated Financial Statements will be available for inspection by the shareholders at the Company's office from Friday, April 8, 1988. The material is available from the Company or Morgan Grenfell & Co. Limited, New Issues and Registration Department, 72 London Wall, London EC2M 5NL as from April 8, 1988. However, the material will be sent to the shareholders whose shares are registered under the holder's name in the Company's

register of shareholders. The dividend as approved at the Annual General Meeting will - after deduction of withholding tax - be sent to Novo's shareholders directly from The Danish Securities Centre (Værdipapir-Centralen) on Tuesday, May 3, 1988, if the share is registered there according to a new law in Denmark.

If the share is not registered at The Danish Securities Centre, the shareholder should make arrangements either through a local bank or directly through a Danish bank in order to register the share.

Bagsveerd, April 1988

Signed by The Board of Directors



#### Notice to Bondholders of NIPPON KOGAKU K.K.,

U.S. \$60,000,000 4 per cent Convertible Bonds Due 1999

NOTICE IS HEREBY GIVEN THAT: 1. Effective as from 1st April 1988, NIPPON KOGAKU K.K., will

change its English name to NIKON CORPORATION. 2. The above-mentioned Bonds will remain listed on the Luxembourg Stock Exchange under the Company's previous name but followed by the new name. Each new notice to Bondholders will

3. The Boads will not be stamped or exchanged for new Bonds.

4. A complementary legal notice as well as the amendments on the statutory documents have been lodged in Luxembourg.

5th April 1988

**EUROPE PLUS** INVESTISSEMENT S.I.C.A.V. 2, boulevard Royal, Luxumbourg R.C. Luxembourg B 25380

Mensiona les délicioneires sort informée que par décision du conseil d'administration en date du 22 mirs 1988, il a été decidé en vus de protèpre les colts du Fonde contre les fuchazions délavorables des cours, fadionation desse le larvier 1987, d'un addende permetiant de traiter de perions sur indices populates, sur des devises, sur les devises, sur leux d'interêt et sur "linenciel surres."

Le prospectus musi de l'addenda est dis-posible au siège du Fonds. Le Consist d'Administration

Notice to the Holders of

Station Lira 150 Billion Floating Rate Notes Due 1986 Coopen No. 1 due from Nameh 31, 1986 to September 30, 1985 will be physible from September 50, 1985 at the rate of 11,376%, N. 280.1150. per M. 600.000. Nominal M. 2801150. per M. 60.000.000. Nominal

INVESTMENT BANK

April, 5 1986 Banco di Hapoli International S.A. Luxembourg Reference Agent Bunk

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Eve has cultived the others because at a policy on fair play and value for money. Supper from 10-3.30 a.m. Disco and top musicians, glaster

#### NOTICE TO HOLDERS OF ... RECEIPTS (EDR'S) IN MPPON SHIPPAN & CO., LTD.

NOTICE TO MOVEMY GIVEN that is cost-dividual will be paid to shareholders of record date blanch 37, 1988. Purplement, it has been declared that the electron Black Exchanges with effect Japaneses Black Exchanges with effect from blanch 20, 1980. Subject to approval of the dividend, after receipt of the dividend by the Depository, which is the dividend by the Depository, which is the subject of the dividend of payment of such dividend together with the procedure to be followed for the payments. payment. Coupon No 22 will be beed for collection CITERANK, N.A., London.

**Art Galleries** 

OMELL GALLERIES an exhibition of Paintings by the Danish artist Peder Mork MONSTED (1859-1941) at 43a Duke Street, St. James's, London SW1Y 6DD

Tab 81-930-7744 Mon-Pri 6 30 - 5

Public Notices

SCOTTISH EQUITABLE LIFE. ASSURANCE SOCIETY

Notice is hereby given that the ANNUAL ISEN-EHAL MEETING of the Society will be held in the SOCIETY'S HEAD OFFICE No. 28 87. ANDREW SOLIARE, ECHNEURGH on Themselv, 21st April 1988 at 12,26 pm. to consider as ordinary business the Accounts and Belanco Sheet and Reports of the Observar and the Auditor, the election of Dispotors, the repulsary-tion to be paid to the Observar and the responsivement of the Auditor and is consider as appoint business the amendment of Pesulations to increase the perspective number of Directors to Brists and 45 of the Society's Regulations to increase the perspective number of Directors to Brists and to increase the sumber of Directors to three. A copy of the proposed amendments to the Pegulations can be impacted by any member at the Head Office of the Society during operated beautypes booms up to the dete of the meeting.

25 St. Andrew Square
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D.A.SERVEHOOD
Chief Emiculies

FINANCIAL TIMES

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For Share Index and Business News Summary, Telephone 246 8026 (number preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

#### **Invitations For Proposals** To Purchase Assets Of **Massey Combines** Corporation

Peat Marwick Limited, Receiver of Massey Combines Corporation, pursuant to an Order of The Honourable Mr. Justice Catzman of The Supreme Court of Ontario, will consider written proposals to purchase the following assers:

Parcel 1: Rotary Combine Product Line and related parts supply business which includes Technology, Tooling, Inventory, Patents, Licences and other rights Parcel 2: Conventional Combine Product Line and related parts supply business which includes Technology, Tooling, Inventory, Patents, Licences and other rights Parcel 3: Baler Product Line which includes Technology, Tooling, Inventory, Parents, Licences and other rights Parcel 4: Other Product Lines which includes Technology,

Tooling, Inventory, Patents, Licences and other rights Parcel 5: Physical Plant, Land and Facilities Parcel 6: Machinery and Equipment

Proposals must be in writing and shall be received by Peat Marwick Limited until NOON on Thursday, May 19, 1988.

All Proposals shall be submitted in accordance with Terms and Conditions of Sale which may be obtained from Peat Marwick Limited.

All Proposals shall be accompanied by a deposit of 5% of the total gross purchase price offered.

The highest or any Proposal shall not necessarily be accepted. Acceptance of any Proposal by Peat Marwick Limited shall be subject to approval by The Supreme Court of Ontario.

An information package for prospective purchasers has been prepared solely for the convenience of prospective purchasers, and may be obtained from Peat Marwick Limited after tion of a satisfactory Confidentiality Agreement.

With respect to certain patents, licences and other rights.

potential purchasers may be required to make certain arrangements with third parties.

To obtain further information and to arrange for inspection of the assets please contact:

Mickael Creiser David Matthews
Telephone # (416) 863-3825 Telephone # (416) 863-3419
Telecopier Numbers (416) 863-3364, (416) 862-9869
Telex Number 0627692 VERITATEM TOR Michael Creber

**KPMG** Peat Marwick

Peat Marwick Limited, Receiver, Massey Combines Corporation, P.O. Box 31, Commerce Court West, Toronto, Canada M.S.L. IB2

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#### FT LAW REPORTS

## Digest of Hilary Term cases

FROM JANUARY 12 TO JANUARY 29

## **TODAY** FRANKFURT BECOMES A CANADIAN CITY.

Today Frankfurt becomes a Canadian City. It joins Amsterdam, Rome and Milan as a European gateway served by Canada's most successful new airline -Canadian Airlines International.

Starting with two flights a week to Vancouver, the Canadian schedule will build-up to offer a daily service between Frankfurt and Western Canada.

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Kleinwort Benson Ltd. v Malaysian Mining Corporation Berhad (FT, January 12) Corporation Berned
(FT, January 12)
Kleinwort undertook to fund
MMC Metals Lid, a subsidiary of
the Malaysian Mining Corporation Bernad, provided that the
latter furnished a letter of comfacility and stated: "It is our policy to ensure that the business of
MMC Metals is at all times in a
position to meet its liabilities to
you under the above arrangementa." By the time the tin market collapsed a facility of film,
by agreement, had been drawn
but Metals had gone into liquidation. In holding that the letter of
comfort was a binding contract,
Hirst J stated that (a) Kleinwort
clearly acted in relignos on it
when agreeing to advance 25m
and then film; (b) it was of paramount importance to Kleinwort
that Malaysian should ensure
that Metals was at all times in a
position to meet its liabilities; (c)
it had been treated as a matter of
importance by Malaysian's directors who had passed a formal resolution authorising acceptance of
the facility.

The Alaxian Hone ceedings sufficient to found the basic jurisdiction. The proper construction of "proceedings in any civil or commercial matter" in section 9, which would produce uniformity in the Convention and in the Act, had to accord with a generally acceptable international interpretation of those terms.

Colonial Benk v European
Grain and Shipping Ltd
(FT, January 19)
After the shipowners had
assigned to the bank all earnings
on their vessel, it was arrested by
creditors. At the time of its to m their vessel, it was arrested by creditors. At the time of its sirest, the alap was chartered to charterers who had had to procure the on-shipment of the cargo, the costs of which exceeded the freight. In ascertaining the rights of the parties over the freight that such a close link with the charterers' claim for freight had such a close link with the charterers' claim for two that the shipowners' claim for freight had such a close link with the charterers' claim for two that the charterers was no need to eask theif what it should do to sak theif what it would not would impose unrealistic, have been fair, had the owners would impose unrealistic, have been fair, had the owners would impose unrealistic, have been fair, had the owners would impose unrealistic, have been fair, had the owners would impose unrealistic. The context were "all disputes and differences" meant disputed claims together with any wider meaning which might be derived bring the hank's derivative claim

New least of the freight in ascertain asked for strengthmed motivation of two issues, the majority view was accepted. In major The Alexian Hope (FT, January 15)
In the instant case, a ship was deliberately set on fire by the shipowners. The mortgages, unable to claim from the hull underwritten. ers, sought to recover under its mortgages interest policy. Clause 1 of that policy provided: "This policy has to pay if an occur-rence... causes (a) total or con-structive total loss... and structive total loss. and after ... average adjustment having been passed, the assured is unable to recover from the vessel's hull underwriters." In dismissing an appeal by the most gage interest insurers against a decision that they were liable, the Court of Appeal stated that fire in a marine policy was not confined to accidental fire. It includes as a matter of construcincluded, as a matter of construc-tion, a fire started deliberately by a stranger to the insurance, as set off if sued by the owners so that the bank's derivative claim were the shipowners in the present case. Moreover, the adjustment was "passed" when (i) an average adjustment had been issued, and (ii) the hull underwriters declined to pay.

Re State of Norway's Application (No 2) (FT, January 15)

In allowing an appeal by two wit-nesses, who had been ordered to give evidence in Norwegian pro-

of Appeal stated that jurisdiction the owners were not bound by under the Evidence (Proceedings in Other Jurisdictions) Act 1975 in respect of letters of request only arose if the English court was satisfied that the proceedings in the requesting court were either civil or commercial as civilian legal systems would understand those terms (section 9). The Norwegian proceedings were concerned with "matter fiswers of that the owners were not provided in the requesting court were not ground that the samples were in a specific that the shippers were in a position to establish an unbroken chain of authority on two alternative of an agreed settlement of an action where the insured banks claimed against the insurance companies under policies arranged by Notcutt, one substantive issue was outstanding, namely the credit that the banks of lading under which were concerned with "matter fiscale", and as such were not proby the bills of lading under which
ceedings sufficient to found the
basic jurisdiction. The proper
construction of "proceedings in am meruit over and above the
any civil or commercial matter"

sums pre-paid by the shippers.

Bank Mellat v GAA Develo

Construction Company
(FT, January 22)
In an arbitration, governed by
the International Chamber of
Commerce rules, concerning a
force majeure clause, the majority
of the arbitrators favoured the position of the defendants that the contract had become impossi-ble to perform. After reconsideration at the behest of the ICC, which asked for strengthened

Naviera Mogor SA v Société Metallurgique de Normandie (FT, January 26) When the charterers presented bills of lading to the master, he signed them without qualifica-tion notwithstanding that the cargo of wire coils had already The Jahmaham
(FT, January 20)
The ahipowners chartered The Jahmahan to the charterers as disponent owners under a time-chartere. Clause 40 provided that "charterers or their agents are authorised to issue and sign bills upheld the arbitrators' decision of Staughton J, who had upheld the master's behalf." The vessel was then chartered to a third party on back-to-back terms. In allowing the shippers' appeal against a apparent good order, the master's interventing negligence broke the rusted. The shipowners sought reimbursement from the charter-

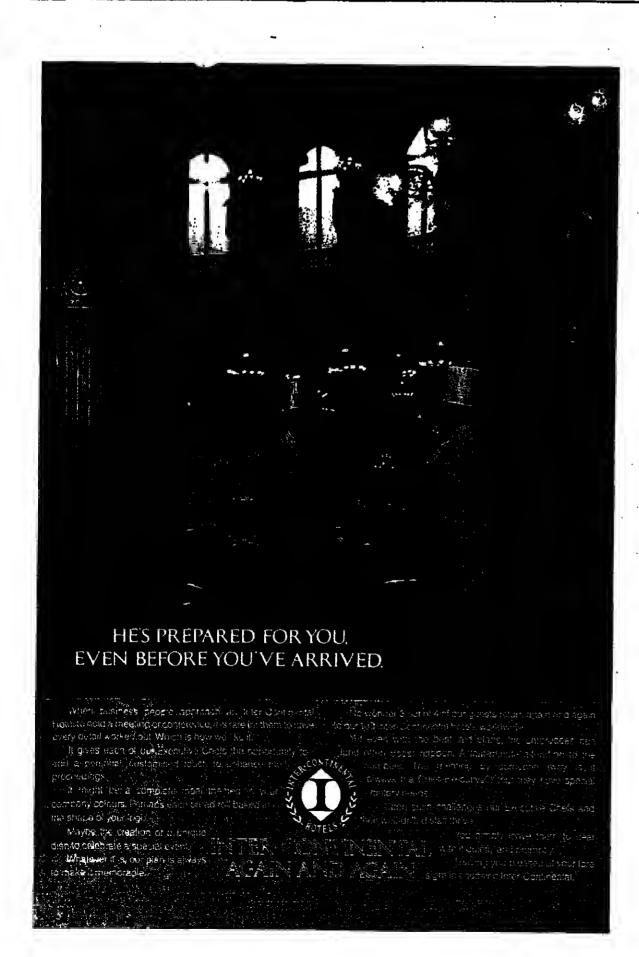
namely the credit that the banks ought to have given for £10.5m paid by Notcutt under the settlepand by Notchit under the settle-ment. The settlement's terms expressly provided that recovery against Notchet would be in full and final settlement of the banks' claims "including claims for costs". Mr Justice Steyn stated that the credit to be given by a plaintiff in favour of one tortlea-ser in respect of recovery from sor in respect of recovery from another torifeasor could not be a matter for judicial discretion. matter for judicial discretion.

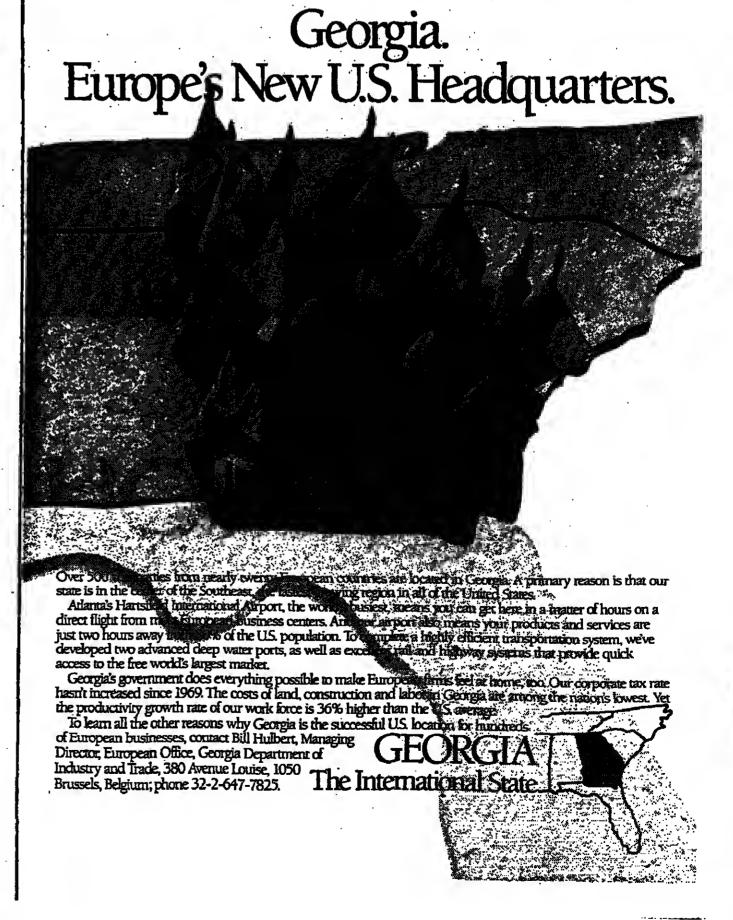
The principle was that where a plaintiff, who had received payment from one of two tortleasors, established an additional separate claim against him, the payment was allocated first to that claim, and credit had to be given in favour of the second tortleasor.

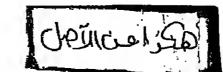
claims together with any wider meaning which might be derived from the use of "differences" as well as "disputes". The context was a reinsurance transaction partly recorded in writing. There was no indication that the parties intended the arbitrators to have no jurisdiction outside the written terms. Evans J stated, and there were good commercial rea-sons why they should have envis-aged that all disputes concerning the transaction generally would come within the term "in respect of this reinsurance". This digest will continue on April 8, 12 and 13.

Aviva Golden

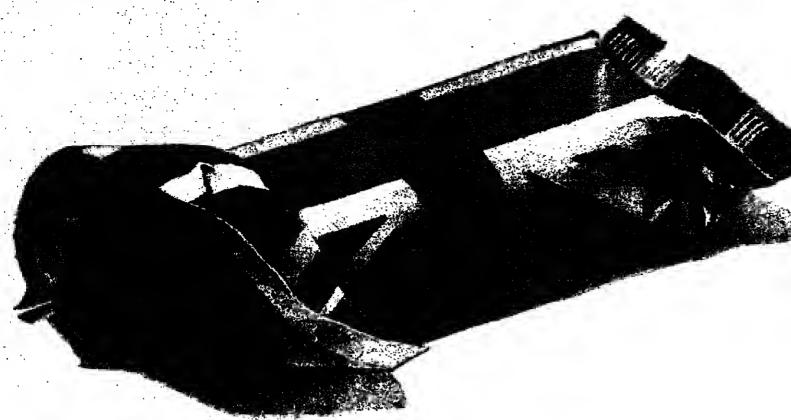








## Cadbury Schweppes invested £97 million here.



:aseg

King Co.

More specifically, "here" was the factory floor. From 1981 to 1983 Cadbury Ltd. spent £97 million making the manufacturing capabilities of the confectionery division among the most modern in the world.

example. Crunchie bars are now cut by a high pressure jet of coconut oil. This saves 50% of the honeycomb wasted by the old cutting process. It's one of the many modernisations and rationalisations that gave us a significant increase in productivity per employee. And that provided money – money that was used to boost our marketing effort.

## Profits doubled as a result.

MANAGEMENT PROVEN IN THE MARKET PLACE. CLASSIC MANAGEMENT PROVEN IN THE MARKET PLACE. CLASSIC MANAGEMENT PROVEN IN THE MARKET PLACE. CLASSIC STREET



So we could capture more of the market we increased our advertising "share of voice" in the sector. In 1987 we invested

We also embarked on a major programme of new product development. 13 brands have been launched since 1980. Biarritz and Wispa are already acknowledged confectionery classics. These moves helped increase our market share to 29% (remember, in a market as huge as this, one percentage point is worth over £20 million).

Aggressive marketing has more than doubled trading profits since 1981, reaching some £57 million in 1987. So carefully planned management is achieving exciting profit growth.

## And we're not going to stop there.

nagement proven in the market place. Gitting Singues management proven in the market place. Gitting Singues management proven in the market place. Gitting Singues

is the state of th

The success of Cadbury Ltd. in the UK is by no means the whole story. We've applied the same principle of reducing costs and increasing marketing investment throughout the world. What's more, growth in 1988 will be further enhanced by recent

will be further enhanced by recent strategic acquisitions in the USA, Australasia and France.

As Chief Executive Dominic Cadbury says, "The management skills which have strengthened Cadbury Schweppes' position in the market place and increased 1987 earnings per share by over 33% will ensure that we capitalise on these new opportunities for the benefit of our shareholders."

Casbury Schweppes

MANAGEMENT PROVEN IN THE MARKET PLAC

#### Notice of Redemption

#### Florida Federal Savings International Finance, N.V. 12 1/2 Guaranteed Bonds due May 15, 1989

NOTICE IS HEREBY GIVEN that, pursuant to Section 5.01(a) of the Indenture dated as of May 15, 1984 (the "Indenture") among Florida Federal Savings International Finance, N.V. (the "Company"), Florida Federal Savings and Loan Association (the "Gusrantor") and Citibank, N.A., as Trustee (the "Trustee"), the Company has elected to redeem and will redeem on May 15, 1988 (the "Redemption Date") all of the outstanding 1236% Gusranteed Bonds due May 15, 1989 (the "Bonds") at the Redemption Price of 100% of the principal amount thereof (the "Redemption Price")

On and after the Redemption Date, the Redemption Price will become due and payable upon presentation and surrender of the Bonds with all unmatured coupons appertaining thereto at the office of the paying agents listed below. In the event that any unmatured coupons fail to be presented, the amount of the missing coupon(s) will be deducted from the Redemption Price.

On and after the Redemption Date interest on the Bonds shall cease to accrue, and all coupons

maturing after May 15, 1988 shall be void. Coupons maturing on May 15, 1988, should be detached and surrendered for payment to the usual manner.

#### Paying Agents

Citibank, N.A. 111 Wall Street, 5th Floor New York, NY 10043

Citibank, N.A. Citibank House 336 Strand London, WC2R 1HB

Citibank, N.A. Neue Mainzer Strasse 40/42 D-6000 Frankfurt/Main I

Citibank, N.A. Avenue de Tervuren, 249 B-1150 Brussels

Citicenter 19 Le Parvis, La Defense 7 Citibank, N.A.

Citibank, N.A.

Citicorp Investment Bank (Luxembourg) S.A. 16, Avenue Marie Therese

Pizzza Della Republica 2

Citibank, N.A. Herengracht 545/549 Amsterdam Citicorp Investment Benk (Switzerland) Bahnhofstrasse 63 8021 Zurich, Switzerland

FLORIDA FEDERAL SAVINGS INTERNATIONAL FINANCE, N.V.

Dated: April 5, 1988

Under the United States Interest and Dividend Tax Compliance Act of 1983, any payment made within the United States, including payments by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8 to the case of non-U.S. persons or an executed IRS Form W-9 in the case of U.S. persons. Those holders who are required to provide their correct taxpayer identification on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of U.S. \$50. Please, therefore, provide the appropriate certification when presenting securities for payment if payment within the United States is sought.

## RAT CATCHING, GULLEGTIN UKUG DEALING

(and 197 other ways to be one of the 200 smartest companies in Britain).

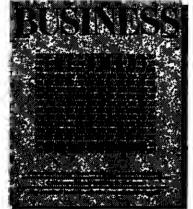
This month we're lifting the lid off the 200 fastest growing companies in Britain.

Some of them may sound a little obscure today, but from our list will undoubtedly emerge the Hansons and BTRs of tomorrow.

Which ones? And why? Thirty pages of detailed analysis will give you the answers.

Also we'll be taking a look at the extraordinary comings and goings at Citicorp, Birmingham, big yachts in the America's Cup, huge container ships from Taiwan, junk food. And as a perk we feature a special report on company cars.

BUSINESS Magazine - once again you simply can't do business without it.



## National Home Loans Blue Chip Interest Rate

for the period from 1st April to 30th June 1988 is: FOR HOUSE PURCHASE 9.687% APR 10.1% FOR REFINANCING 10.187% APR 10.7%

For further information contact: Höme Loans The National Home Loans Corporation plc
St. Catherine's Court, Herbert Road,
Solihull, West Midlands B91 3QE. ADVERTISING appears every Wednesda and Transday for further information further infermation call 01-248 8000 sea Taylor ext 3351

APPOINTMENTS

#### **UK NEWS**

## Talks to end Dover strike likely to resume this week

BY CHARLES LEADBEATER IN LONDON AND GEORGE GRAHAM IN PARIS

ALKS to end the strike by 2,300 Dover-based seamen employed by P&O European Ferries are expec-ted to resume later this week. P&O executives and officials of the National Union of Seamen said it was likely that talks would resume at the Arbitration and Conciliation Service (Acas), after informal contacts with the

service over the weekend. The dispute has disrupted car and freight ferry sailings from the port for the last eight weeks. Both sides said they understood there was a constructive basis for a resumption of talks over the company's plan to change working practices, which involves several hundred redun-

The company says its aim of reducing the aumber of crews per ship from 3.6 to 2.5 is essential if its cross channel ferries are to compete with the Channel Tun-

The union said it understood anew basis for negotiations would merge over the next few days. However, the company said

Full funding likely

for NHS pay rises

along the expected lines there is along the expected lines there is along the expected lines there is Ministers hope that full funding of the aurses' pay award will provide the accessary moaey from the £3.5ba reserve for the 1988-89 financial year. This could the National Health Service is

cover the extra costs to health Of this total of £716m, some authorities beyond what has £290m was provided for within already been provided for the coming year within cash limits from the Treasury and the health which assume a 4.5 per cent inflation rate. This will avoid a further squeeze on the authorities were required to find the extra £30m from their own

Full funding is likely to extend
Full funding is likely to extend
beyond nurses' awards because funding the aurses' pay awards
the pay of allied medical professions like radiologists and similar financial problems.

specialist staff, as well as doctors and dentists, is contained in the same overall cash allocations to health authorities.

The cross-party social services committee of members of parliament has recommended an additional allocation of £1bn over the

The nurses pay award will next two years, although this involve substantial increases for proposal has been rejected by the some groups who are in short Government.

Teachers' body will seek

role in education reform

THE NATIONAL Union of Teachers, Britain's biggest teaching profession to join the commission, yesterday decided to set sion. The union's leaders stressed up an independent, broadly-based that they do not want the NUT to Education Commission to try and

influence implementation of the Education Reform Bill.

The decision at the NUT's

annual conference in Scarbor-ough, in the north east, was

taken in the face of strong oppo-sition from the union's left wing.

It indicates that NUT leaders realise that the main parts of the

bill are almost certain to be enacted, although they still hope amendments will be made during its passage through the House of Lords, the upper house of Parlia-

The commission forms a key part of the attempt by NUT lead-ers to shift the tactics of the

ers to saint the tactics of the 185,000-strong union away from the campaigns of strike action which have disrupted schools in recent years.

These are widely viewed in the union as having been inaffective and the cause of an exodus of manufacture from the project.

members from the union.

The NUT is planning to invite

resources.

However, health authorities

tional allocation of £1bn over the

that they do not want the NUT to dominate the body.

Mr Peter Griffin, on behalf of the national executive, said: "This strident Prime Minister

must be told there is an alterna-tive view which is protective of the parents and teachers of this

country."
He added: "Here is a way for-

ward because we need alliances and we need authoritative allies."

Left-wing delegates said the decision to establish a commission — "a nebulous national body whose remit and principles are both unclear" — was conceding

victory to the Government.

The left particularly criticised the union's leaders for wanting representatives of industry and

merce on the commit

the bill.

The expected funding will £230m

It said the proposals included a reduction in the number of redundancies from 400 to 362, a cut in the maximum shift length from 72 to 24 hours, generous redundancy terms, profit sharing and a simplified pay structure in which some bonus payments would be replaced by an improved basic rate of pay.

agreement with the union, and had no plans to bypass the NUS port committee at Dover by appealing directly to the work-It played down the significance

of suggestions by Mr Peter Ford, the company's chairman, after the breakdown of talks on Friday, that the port committee no longer represented the views of its members.

constructive negotiations would have to concentrate on a more thorough examination of proposals drawn up by Acas, which the union rejected during talks last week.

It said the proposals included a whelmingly to continue the dispute.

Queues of traffic at Dover and Calais, which built up on Friday, were cleared over the weekend after French seamen employed by Selink returned to work on Saturday.

Dover Harbour Board said ferries sailing in and out of the port-had spare capacity. At Dunkirk, however, it may take a few days to absorb the waiting lorries.

NUS officials said the agree-ment between the SNCF, the state-owned rail company which operates the French arm of Seal-P&O said it still hoped for an ink, and the French unions, should be used as a model for

The agreement includes longer working hours but firmer employment guarantees.

SNCF had wanted to increase the working hours of 85 ferry employees, mostly in the catering services, by 600 hours a year. The final agreement involves an increase of 130 hours a year for 150 employees.

Seamen on Sunday voted over-

### Row may delay TV test in

**Commons** By Peter Riddell, Political Editor

THE PLANNED start of the experimental televising of the Hoase of Commons this autumn may be delayed by a growing controversy about who should control the cam-

THE GOVERNMENT is likely to finance fully the additional costs of this month's pay awards not only for aurses but also for doctors and other medical staff.

The pay review bodies for nurses, allied medical professions, doctors and dentists are expected to report in about 10 days' time and the Government to parliament on April 21, or, if there is any slippage, the 28th.

Ministers do not yet know the detailed recommendations of the reports, bat provided they are along the expected lines there is no doubt that the Treasury will no doubt that the Treasury will in of the aurses' pay award will interest in the proposals and deatists may be delayed and phased, even though the treasury.

Ministers hope that full funding of the aurses' pay award will interest in the proposals and deatists may be delayed and phased, even though the treasury. Several senior members of Parliament, including support-ers of televising proceedings in the Commons are arguing that control should be taken away from the BBC and ITN and be directly under the authority of the House, either through a special Parliamentary Televi-sion Unit or by agreement with an independent facilities

the National Health Service is completed, possibly by the autumn.

Full funding of the awards is regarded by ministers as inevitable in the current political climate, given the recent trade union and opposition parties' the award is professions allied to medicine added £39m, and the doctors' and dentists' award cost £447m, while the award is professions allied to medicine added £39m, and the doctors' and dentists' award cost £230m. company,
This issue is at the top of a list of 90 questions contained in a memorandum to the 20strong select committee of MPs which met for the first time last week to consider the implications of televising the

question of whether the opera-tion of the cameras should be under the control of the broadcasting authorities or the House of Commons, as the written record, Hansard, now

a monopoly of the relevant expertise, so if a separate parliamentary unit were set up a choice would have to be made between seconding staff from the BBC and ITN and employ-

ing people directly.

This issue threatens to delay the work of the committee.
MPs must report by July if MPs must report by July if broadcasters are to have time to install equipment during the summer recess before the experiment starts in the autumn. This now appears an increasingly tight timetable, although an interim report is possible.

#### **Power dispute**

A MAJOR argument has broken out among the UK's 12 area electricity boards about control of the industry when it is privatised in two to three

is privatised in two to three years' time.

The dispute centres on the power and independence to be given to the national transmission grid which will be taken from the Central Electricity Generating Board (CEGB) and given to the privatised boards.

At present the grid collects electricity from power stations and supplies it in bulk to area boards. Grid controllers can order power stations to switch order power stations to switch in and out of the system as

in and out of the system as they deem it necessary.

The boards agree that the new grid company must continue these functions but conflict has emerged as to whether the grid should be free to become an active wholesaler of electricity or be restricted to technical time. Howevar, the conference defeated by 36,000 votes an attempt by the left to commit the union to militant campaigns including strike action against the bill The hard left doubled it repre-sentation on the union's 44-strong executive from about five restricted to technical func-

#### FINANCIAL TIMES CONFERENCES

THE NEWSPAPER INDUSTRY -A PERSPECTIVE OF THE NEXT FIVE YEARS London, 12 & 13 April 1988

As part of the celebrations to mark the Centenary of the Financial Times, the Newspaper is holding a major conference to look at the future of the newspaper industry both in the United Kingdom and abroad. The eminent panel of speakers include Mr Lee Huebner, Publisher of the International Herald Tribune, Mr Ko Morita, President - Chief Executive Officer of the Nibon Keizzi Shimbun, Mr Bill O'Neill, Managing Director of News International and Mr Ralph Ingersoll, Chairman of the Board of Ingersoll Publications.

WORLD PULP & PAPER London, 6 & & June 1988

The Financial Times and the European Paper Institute have joined forces to hold this high-level conference on World Pulp and Paper. Under the chairmanship of Mr John Worlidge, Chairman and Chief Executive of Wiggins Teape, Mr Red Cavaney, President & Chief Executive Officer of the American Paper Institute and Mr David Clark, Executive Director of the European Paper Institute anthoritative speakers from around the world will discuss the prospects and opportunities facing the world will discuss the prospects and opportunities facing the industry. Contributors include Mr Bo Berrgren, President & Chief Executive Officer of STORA, Mr George Peety, Chairman & Chief Executive Officer of Repap Enterprises, Mr Franciso Gros, President of Aracrus Celulose, Mr Hugh Fletcher, Chief Executive Officer of Fletcher Challenge, Dr Hartwig Geginat, Chairman of the Board of Feldmuble, Mr Jorge Nunes, Chairman of Torras Hostench and Mr Pentti Rautalahti,

DOING BUSINESS WITH EASTERN EUROPE Budapest, 21 & 22 June 1988

The Soviet Union is embarking on a programme of reform which will, if it is sufficiently radical and durable, provide interesting opportunities for Western industrialists and bankers. The impertus for change exists in some of the other eastern European countries and the Gorbechov reforms cannot but have an impact on them all. This Financial Times conference, called in association with the National Bank of Hungary is intended to examine the importance of what is happening in Eastern Europe and assess the climate for East/West business now and over the

A complete programme for the conference will be issued by mid-April. Among the early speaker acceptances were Mr David Melor MP, Minister of State for the Foreign & Commonwealth Office, Professor Josef Bejestka, Director of the Institute of Economic Sciences at the Polish Academy of Sciences, Dr Werner Polze, Chairman at Deutsche Aussenhandelsbank AG, Mr Janos Fekete, First Deputy President, National Bank of Hungary, Mr Tamas Beck, Chairman of the Hungarian Chamber of Commerce, Mr Alexarire Miniaev, Managing Director of GARANT (USSR) and Dr Anders Aslurd, the Swedish diplomat, currently with the Kennan Institute for Advanced Russian Studies in Washington, DC.

All enquiries should be addressed to:

The Financial Times Conference Organisation, 2nd Floor, 126 Jermyn Street, London SW1Y 4UJ. Tel. 01-925 2323 (24-hour answering service) Telex: 27347 FT CONF G Fax: 01-925 2125

#### NOTICE

To the Holders of the following securities issued by the United Mexican States: 81/8% External Sinking Fund Bonds Due December 1, 1997 83/4% per cent. Bonds 1991 10% External Bonds Due 1980 (Extendable by holder to 1990) 9½% External Bonds Due March 1, 1981 (Extendable by Holder to

March 1, 1991) 15% External Bonds Due 1988 16.45% Notes due 1992

181/2% Retractable Bonds Due 1997 161/2% per cent. Loan Stock 2008

NOTICE IS HEREBY GIVEN that on March 30, 1988 the United Mexican States issued its Collateralized Floating Rate Bonds Due 2008. These Bonds are collateralized as

United Mexican States issued its Collateralized Floating Rate Bonds Due 2008. These Bonds are collateralized as to payment of principal only by the pledge to Morgan Guaranty Trust Company of New York, as Collateral Agent, of a zero-coupon United States Treasury bond maturing on March 30, 2006 and having a face amount equal to the principal amount of the Bonds. Pursuant to the terms of the Collateral Pledge Agreement, the holders of the Bonds will have no recourse to the collateral prior to March 30, 2008.

Simultaneously, the United Mexican States pledged to the holders of its outstanding securities identified above, pursuant to separate Collateral Pledge Agreements with Morgan Gusmanty Trust Company of New York, as Collateral Agent, zero-coupon United States Treasury obligations and receipts evidencing interests in United States Treasury obligations and receipts evidencing interests in United States Treasury obligations, lawing a face amount at least equal to the outstanding principal amount of such securities, as security for the payment of principal of such securities. Pursuant to the terms of these Collateral Pledge Agreements, holders of the securities will have no recourse to the collateral prior to March 30, 2008.

Copies of the separate Collateral Pledge Agreements relating to each issue of outstanding securities may be imspected by holders of such securities at the office of the Collateral Agent at 30 West Broadway, New York, New York 10015 or at the offices of the Frincipal Paying Agent, if any, for each of the above-listed securities.



Looking to re-locate? Here's a list of all the cities on the south coast with Government Assisted Area Status.

PLYMOUTH PEYMOUTH, PLYMOUTH, PLYMOUTH, PLYMOUTH, PLYMOUTH, PLYMOUTH and PLYMOUTH

When you're making a major move, you need all the help you can get. That's where we have the advantage. Not only can we offer you Government Grant Assistance, but also a sophisticated infrastricture that's been built up to serve companies like Wrigicy's, Becton Dickinson, British Acrospace, Toshiba, Plessey and Texas Instruments, And there are other benefits. Like rent levels that are currently half those of the Thames Valley. A communications network that can get you to London inside an hour, Birmingham in around three hours, and Santander in less than twenty-four bours. 'Plymouth is the best place to live in urban England. That's the finding of 2 years' research by Glasgow University. The quality of life here cannot be equalled, and we're surrounded by countryside with everything from bracing moorland to exhibit rating watersports. A stable and receptive workforce. A plentiful supply of housing. And the list goes on. Get the complete version from Peter Burrows on 0752 264885.





26th - 27th April

## Phillips & Drew launches venture capital fund

BY CHARLES BATCHELOR

the paper land PHILIPS & DREW Development drew Ventures Funn promotes to Capital today launches a £100m give investors a pay-back greater wanture capital fund to invest in the from the FT All-Share Index established companies looking before the fund itself takes an equity stake.

venture capital fund to invest in management buy-outs and in established companies looking for expansion capital.

This is the third large venture capital fund to be amnounced in the past week and comes just over two months after P&D Development Capital recruited three of Citicorp Venture Capital seading executives.

Mr Ian Hawkins, a partner in P&D Development Capital, said the launch of The Phildrew Ventures Fund confirmed a revival of the venture capital fundraising following the stock market crash in October.

Phillips & Drew was the first large UK stockbroker to Isunch a venture capital fundraising in Detection of investments.

The two other venture capital funds when it raised £22m in early 1986.

The first fund has invested \$18m in 24 companies and expects to be fully invested when subscriptions for its second fund close later this year.

P&D made a 47 per cent annualised return on its first fund in or estimn they could expect in from the FT All-Share Index of from the FT All-Share Index of from the FT All-Share Index.

This is the find large venture the from the FT All-Share Index of mid more attractive to institutions which resent venture management well as the from the FT All-Shar

close later this year.

P&D made a 47 per cent annualised return on its first fund in the period to September 1987, it head of management buy-outs, and Mr Ron Hobbs; vice president.

### Michael Dixon looks at the Baker reforms that have divided MPs for more than 200 hours of debate Education Bill heads for place in Westminster records

ONE OF the few things on which MPs of all parties agree is that the Government's Education Reform Bill will go down in history as a monumental achievement - in the parliamentary

record books, at least.
When it completed its passage through the Commons last Monday, it had already taken up well over 200 hours of debate. With more to come in the Lords, the measure is virtually sure to become the most lengthily debated bill since 1945. What judgment history will

pass on its educational effects, however, continues to be hotly

Mir Kenneth Baker, Education

Mir Kenneth Baker, Education

Secretary, claims the legislation

will be remembered as "a charter
for better education." He pins
that forecast particularly on the

bill's provisions to loosen bureaucratic control over state schools

by increasing the managerial by increasing the managerial Accordingly, Mr Paddy Ash-power of their individual head-teachers and governing bodies, Democrats' spokesman, calls the for example, and allowing measure "bad and dangerous.... achools to opt out of local author-try supervision and be funded that system but for the health of achools to opt out of local author-ity supervision and be funded tion system, but for the health of directly by central government.

His counterparts on the opposition benches have a different
view of the direction that the unworkable," is the verdict of Mr
change of control will take. They Jack Straw, Labour's chief
claim that the authority to be spokesman on education, even
removed from local councils will although he endorses the bill's
end up firmly in the hands of status merely as a parliamentary
Whitehall, not least because the history-maker with statistics of
bill gives the Education Sacrabig own. During its Commons hill gives the Education Secre-his own. During its Commons



Jack Straw: authoritarian and unworkable

tary no fewer than 182 detailed powers his office has never held before.



Kenneth Baker: charter for better education

passage, he says, 2,004 amendments were moved — probably a postwar record. Moreover, the Government has made 113 concessions to critics of the wideranging provisions first put before parliament on November 20 last year. The concessions have, never-

theless, not been those opposition parties most wanted. For instance, the provision for schools to apply to opt out, which even some Tories have censured as "socially divisive," remains

Nor have all the changes been to the opposition's liking, in par-ticular, there has been a severe



Paddy Ashdown: dangerous for future of our children

Otherwise, the 113 detailed con-affairs.

cessions have resulted in only The universities are likely to

bowed to pressure from the dismissal for inefficiency in their churches, will confirm religious jobs, the institutions want the education as a subject which bill to protect dons from being must be taught to every pupil in state-maintained schools. But since how it is taught will be decided on a local basis, RE will not be included in the National defining such a safeguard in legal contriculum of seven or eight subtants. He state he state week that he tests are a state as the state of the state

children with handicaps and behavioural problems, and pro-

three changes from the original be granted another concession draft which could be considered during the bill's passage through the Lords. Since their academic the Lords will in future be liable to bowed to pressure from the dismissal for inefficiency in their

jects - including English, mathematics, science, and technology - Even so, he said it seemed perato be centrally imposed doxical that universities set on A second significant change stopping him from interfering in will allow the schooling system their affairs should want him to more flexibility than had first step in to prevent academics been stipulated in the teaching of from sacking one another for

He also promised that the bill sharpening of the proposed treatment of the Labour-controlled safeguarded against being sa safeguarded against being safeguarded against being sa safeguarded against being sa safeguarded against being safeguarded against being sa safeguarded against being safeguarded against safeguarded against safeguarded vide them with certain entitle- would not enable him or future

day-to-day running of their interpretation is perceptive or affairs.

The universities are likely to time will tell.

## Olivetti to create 200 mini-computer jobs

THE BRITISH subsidiary of Oli- mini-computer systems vetti, the Italian office systems as possible.

company, aims to hire 200 "One of the advantages of a employees this year for its drive multinational company is that it into the mini-computer business can alter its strategy in different market." At the

Olivetti's move into the minicomputer sector, launched late
last year, takes it for the first
time into a head-on battle with
International Business Machines
and Digital Equipment, the two
American companies which are
the established leaders in departmental business computing.

markets," said Mr Tosi: "At the
moment we are trying to re-invest as much as possible in the
UK to grow quickly. Sooner or
later it will pay us back if we get
a good penetration."

Mr Tosi added that British Olivetti spent well over £2m on
training last year for its 1,000
employees.

mental business computing. Until now Olivetti has concen-trated on less powerful personal computers which can be sold itself fully to a system of design-mithout the elaborate marketing without the elaborate marketing ing its machines that conforms to

without the elaborate marketing networks run by larger groups.

Because of the investment in retraining to cope with expansion, Olivetit UK registered a loss pean computer manufacturers, last year despite a 16 per cent allow users easily to make in turnover to \$137m. machines made by different manufacturers into the same network.

Traditionally, computer manufacturers into the same network.

Traditionally, computer manufacturers into the same network.

Traditionally, computer manufacturers have developed jealous by guarded proprietary design and connection principles which made it hard for users to move to

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Mr Paolo Tosl, managing director of the British subsidiary, said olivetti was deliberately allowing its margins in Britain to decline because its main aim was to grow fast. He said the company wanted to establish an adequate base in of European deliveries in three the market for departmental years.

employees. Olivetti believes it has a partic

#### Reed opens first paper machine for 30 years

REED INTERNATIONAL has print. The mill uses waste paper opened a paper machine for the first time in 30 years, at its Aylesford Mill near Maidstone, Kent. of Reed's European Paper Group,

ers from all over Britain. For many years, news from paper mills has been of machine closures, as the UK paper indus-try declined and only the most efficient, modern machines were

making a wide variety of paper. machines.

At its peak, it was the largest of He estimates that, building its kind in Western Europe and from scratch on a greenfield site.

Such an event is still rare in the Systhesis of Reed's European Paper Group, Such an event is still rare in the Systhesis of Elom cost of building UK and last week's opening ceremony was attended by paper makers from all over Britain.

ture already been in place.

The machine house was a relatively modern, two-storey building. It had the foundations from the old PM 6 machine which had profitable.

The Aylesford site, where Reed
Sir Jonathan, "we had an awful first started as a company in lot of the cast iron," the low tech1903, once housed 13 machines nology parts salvaged from old

produced 300,000 tonnes a year. the machine would have cost
The new paper machine, called \$50m or £60m. As it is, he forePM 6 as it stands on the site of cast a payback period of a little the old number six machine, is, over five years from the time the one of only three. Numbers 2 and project was approved in May 6 make paper for corrugated 1986. He reckons to reach that cases (cardboard boxes to the layman), while PM 13 makes news-

ASSET MANAGEMENT

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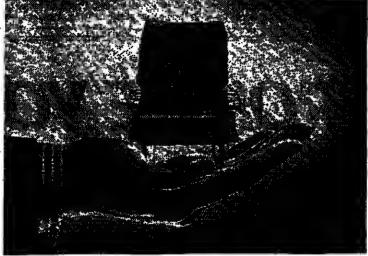
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**66** We rely on Exshare as a major information source for our clients 99 CHEMICAL INTERNATIONAL

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BRITAIN's £100m-a-year fast tion, although promising protection reactor nuclear programme could tion for con-fossil electricity be a casualty of privatisation sources, makes no specific complans for the electricity supply milment to the fast reactor, the authority's biggest development

ricity Generating Board say privately that the programme no longer has a high priority in the board's long-term thinking.

Leaders of the nuclear industry see that a privatised converting and development.

the last reactor is based on technology which could make Britain independent of uranium imports by using the national stocks of "depleted" uranium from current nuclear activity. As with the space programme, industry's unwillingness to invest could lead the Govern-ment to conclude that commercial prospects are too remote to justify its present level of invest-

Last year the CEGB contributed about £30m towards the national fast reactor programme and was planning to increase it to 550m. The balance of funding comes almost entirely from the Energy Department through con-tracts agreed with the UK Atomic Energy Authority, which man-

Leaders of the nuclear industry fear that a privatised generating industry with no statutory obligations for ensuring long-term charman, has been warned that strongly committed to a reactor it may not order as a series for a further 30 years.

The most serious effects of cuts in the programme would be in the Scottiah Highlands, where more than 2,000 work at the nuclear research centre at Dountes.

The fast reactor is based on technology which could make

service for Scottish industry at

Before the white paper, the nuclear industry believed there was a good chance that the CEGB would back plans for a new phase of fast-reactor development, involving construction of a demonstration reactor of commercial size with capacity of more than 1,000 megawatts dur-

It would be built as part of a European collaboration involving France and West Germany, with

backing from several European electricity companies.

The nuclear industry in Britain claims a big fast reactor could be built for a "relatively small" premium in capital cost compared with a premium in capital cost compared with a premium in capital cost compared to the cost of the cost of the capital cost compared to the capital cost cost compared to the capit ages the programme.

The Department of Knergy's with one more in a series of prescreent white paper on privatisa-

### Midlands industrial property 'recovering'

THE WEST MIDLANDS is on the interest by London companies in brink of a significant recovery in the West Midlands.

Rental levels are breaching the triggered by an upsurge in E3.50 a sq ft level below which investment by London developers, according to one of the region's leading firms of charworthwhile, he says. "We are

London property companies for industrial investments this year and that the trend is set to accel-

The firm's assessment will be welcomed in the West Midlands ecause the region has been blighted since the recession of the early 1980s by large expanses of vacant or derelict industrial

Mr Rod Gough, a partner at year.

Chesshire Gibson, says his firm
has dealt with industrial prophas dealt with industrial prophased Chaster and the London-based Chaster Chaster and the London-based Chaster Chaster and the London-based Chaster and t

worthwhile, he says. "We are buying land on behalf of indus-trial developers for the first time Chesshire Gibson of Birming-ham says sales worth millions of pounds have been agreed with money coming into the region."

Mr Gough says interest in the West Midlands has been stimulated by the recent strength of local industry, which has buoyed demand for premises, and by the shortage of development opportunities in the severely competitive property market of the south-

The surfeit of industrial prop-erty has combined with low demand to hold rental levels down and discourage developers

Site preparation is taking place in many parts of the West Mid-lands in preparation for industrial development, Mir Gough down and discourage developers says, and his firm is on the verge from erecting the type of modern of announcing half a dozen industrial premises which are needed to attract new employers and help existing businesses accommodation to be created in Birmingham during the next

has dealt with industrial prop-erty sales to London companies are by the London-based Cana-totalling more than £14m so far dian Business Parks, which has this year and that the volume of committed itself to three indus deals is an indication of strong trial warehouse developments.

### Morgan Grenfell stays top

MORGAN GRENFELL just managed to hold on in the first quarter of 1988 to its long-time position as the leading financial adviser in UK takeover bids, according to a survey by Mergers & Acquisitions, a magazine published by the Financial Times group.

Morgan advised on seven completed hids worth \$2.05 m for publicly onoted companies. That was

pleted hids worth \$2.07bm for publicly quoted companies. That was just ahead of Kleinwort Benson, with five bids worth \$2.95bn; Shearson Lahman, the US investment bank, with three hids worth \$2.92bn; N.M. Rothschild with \$2.92bn; N.M. Rothschild with \$2.00bm for British Petroleum seven bids totalling \$2.74bn; Schroder Wagg with three bids Rothschild and Shearson).



Labour's plans for election opposed

PROPOSALS TO increase the involvement of rank-and-file Labour members in this autumn's election for the party leader and deputy leader face opposition at a meeting of its national executive later this

opposition at a meeting of its national executive later this month.

Mr Neil Kinnock, the party leader, has suggested that the executive should consider draft guidelines on the balloting of members by local parties before they decide how to east their votes on the leadership at the party conference.

This idea is opposed by hard-left supporters of Mr Tony Renn and Mr Eric Heffer, who are standing as leader and deputy. They see it as an attempt to change the rules after the contest has started.

The plan for the balloting of members about their views on the leadership contest follows last year's party conference decision in favour of a one-member-one vote system of voting for the reselection of sitting MPs, and selection of candidates.

This is, however, within the framework of an electoral college giving votes to the unions and other associated bodies. Any guidelines would only be

any games we would only be advisory this year.

Mr Kinnock and Mr Roy Hattersley, the deputy leader, have quickly enlisted the support of major union leaders for their re-election in face of last wask's intervention from Mr. week's intervention from Mr John Prescott, the party's energy spokesman. Mr Ron Todd of the trans-

port workers has pledged his personal backing, though not yet that of his executive. Sup-port for the existing leadership has also come from Mr Gar field Davies of the shopwork-ers, Mr Bill Jordan of the engi-neers, and Mr John Edmonds of the General Municipal and Boilermakers.

There are moves to make a minority challenge more diffi-cult in future. Mr John Evans, a member of the executive and a close ally of Mr Kinneck, is, for instance, arguing for an increase in the nominating threshold.

At present, a candidate can be nominated with the support of only 5 per cent of the parlia-

ficult for the hard-left Cam-paign Group to find sufficient support to trigger a contest. Mr Edmonds has also suggested leadership elections should only be held once in the life of a parliament, in the year after general elections. This reflects a general impa-tience among union leaders about both the high cost of holding such elections.— as a

David Thomas on a report outlining the obstacles to increasing local content

## Japanese criticise British component suppliers

industries subject to the full whirlwind of Japanese competiwintwind of Japanese compen-tion have long seen the steadily growing ranks of Japanese plants in Europe as a Trojan horse – another tactic in the continuing Japanese constaught on Europe's manufacturing base. The Japanese factories, so the

objection goes, are little more than "screwdriver" operations aimed at appeasing European public opinion. Most of the skills needed to make video recorders, needed to make video recorders, photocopiers and so on remain in Japan, because nearly all the components are imported from the Far East.

Alarmed by tough new antidumping legislation from the European Commission sined at arrewitiver plants, and prodded

screwdriver plants, and prodded by the rising yen, many Japanese companies are becoming more aware of the need to build up local content.

local content.

One of the clearest signs of this is a study jointly initiated by the British and Japanese governments. The purpose of the study, described in a letter to most of the large Japanese factories in Britain, "is to seek to improve the performance of UK component suppliers, in order to facilitate increased UK sourcing of components."

DEMAND BY JAPANESE COMPANIES
IN UK FOR COMPONENTS

the project: the fullest survey attempted of the component pur-chasing patterns and intentions

Britain.

The confidential report of the survey gives a detailed breakdown of sourcing by companies accounting for about a third of total component purchasing by Jananese manufactuers in the failure of Japanese companies to shift design and engineering central to Europe as a structural

parts, are sourced from elsewhere in the EC. Parts such as capacitors and nearby, unaware that a potential resistors are bought mainly outside the EC, the report suggests, because they are commodity products for which the economies with the few days expected by of scale available in the Far East

The Javanese available these

the performance of UK components suppliers, in order to facilitate increased UK sourcing of components."

The consultancy arm of Copers & Lybrand, the accountancy firm, has been asked by the two governments to recommend an action plan by June to achieve of other components, such as discomponents. The consultance of UK components to Europe as a structural tree to Europe

somewhat superficial and not effectively implemented down to shop floor level."

somewhat superficial and not effectively implemented down to shop floor level."

• Prices. Prices were considered high: for consumer products, 10-20 per cent more than the cost of components brought from Japan, and for office products, where suppliers seemed used to defence markets, much higher.

• Delivery. British suppliers often failed to meet delivery dates, which were quoted in weeks, whereas Japanese supplications are too dear because they were weeks, whereas Japanese suppli-ers kept to their delivery dates, which were cited in days.

 Marketing. Japanese companies have had to search for British suppliers, often finding them nearby, unaware that a potential

were the main barrier to more component sales. These included: boards. The Japanese respondents was generally lower than in Japan. Quality improvement programmes "tended to be components was generally lower than in Japan. Quality improvement programmes "tended to be components." Although UK transformers. Although UK transformers. • Transformers. Although UK transformers were 20-40 per cent

from batch to batch. By contrast, UK precision machined components were of high quality, although they were about 100 percent too dear because they were made by companies used to defence work.

Plastic parts. UK soppliers were considered significantly worse than other EC suppliers, notably from Ireland. Prices were too high and quality poor, defects being blamed on inefficient management.

The report concludes. "There was considerable criticism and The Japanese amplified these general remarks with comments on particular components, including:

Television tubes. Although the quality of UK tubes was considerable criticism and very little praise of UK suppliers' performance in general, which suggests that legislative pressure currently is very significant in forcing the levels of local sourcing achieved. Nevertheless, the report also suggests that, if they can get their act together, UK suppliers could increase their sales to Japanese would welcome alternative local sources.

Printed circuit boards. UK boards were 20-50 per cent dearer

action plan by June to achieve parts. Relatively large amounts companies acknowledged recent boards were 20-50 per cent dearer very rapidly. The opportunities precisely that. The consultants of other components, such as dishave completed the first stage of crete semiconductors and plastic problems which they believed the price differential rising to 300 for other EC suppliers.

**Budget** 

windfall

By Eric Short

insurance

INVESTORS with Royal London

Mntual Insurance Society, the

hased in Colchester, Essex, will receive a windfall on maturing with-profits policies, because of a change introduced in the Budget.

The change in the base year in

payments when contracts mature or become death claims.

investors with ordinary branch

contracts ranges from 1.4 per-

to almost 4.5 percentage points

ment of the company's financial position at the end of 1987. Thus, without this windfall

maturing 10-year contracts would

### Seeking millions from acid rain battle

A LITTLE-KNOWN company account for two-thirds and petrol is cheaper, more efficient, and applied in West Germany, Switchen hopes to earn tens of milbesel exhausts are difficult to the established Japanese technology is to be promen hopes to earn tens of mil-lions of pounds from Continental Rurope's accelerating drive against pollution from acid rain.

It pins its hopes on a novel process for removing most emissions of nitrogen oxide (NOx) from coal-fired power stations and factory chimneys, NOx is believed to cause the alarming "die-back" of fower trees in cen-'die-back" of forest trees in central Europe

The West Germans plan to remove polluting nitrogen emis-sions from power stations while some from power stations with they clean up emissions of sul-phur dioxide. Those are believed to cause much of the acid rain damage to lakes and waterways. Power stations and factories cent of NOx emis

each account for about 25 per cent of NOx emissions. Of the rest, diesel vehicle exhausts Audi VW plans

parts warehouse

mentary party, or 12 MPs. One alternative is to increase the figure to 20 per cent, or 46 MPs, which would make it dif-ficult for the hard-left Cam-

holding such elections — as a result of having to consult members — and the electoral damage of airing internal party differences.

Pipeline work starts BRITISH PETROLEUM is due to start work today on a \$20m pipeline across the New Forest from its Wytch Faran oushore cilfield in Dorset.

The 56-mile pipeline will link the oilfield on the shores of Poole Harbour with the Hamble oil terminal on Southampton Water.

irive cleaned by fitting cars with catalytic converters or lean-burn engines, such as the one being developed by Ford.

The new process for cleaning in power stations or factories is called NOx-OUT. It was developed by Fuel-Tech, an international company set up in the United States in 1981 to improve methods of burning fossil fuels.

Since 1984, it has been financed by Schroders, the London merichant bank, and since last October it has been 90 per cent Britishfinanced.

The London-based European operation is applied in West Germany, Swith the established Japanese technology.

The technology is to be promoted in those countries by a dictive natural such that in the introduction of urea-based chemicals into the combustion process. It is much more ambitious than the preliminary steps being taken in British power stations.

Those merely modify flame characteristics by mechanical means. Fuel-Tech says its technology complements, rather than replaces, the alterations in burner alignment being implemented this week German chemical company, and the Metzler bank of Frank. The London merophy is the Central Electricity of the control of the combustion process. It is man subsidiary and Lurgl, the West German chemical company, and the Metzler bank of Frank. The London merophy is trying to find the developed by Fuel-Tech, an international company set up in the United States in 1981 to improve methods of burning fossil fuels.

Those merely modify flame characteristics by mechanical means subsidiary and Lurgl, the West German chemical company, and the Metzler bank of Frank. The European Commission for the combustion process. It is man subsidiary and Lurgl, the West German chemical company and the Metzler bank of Frank. The European Commission for the combustion process. It is man subsidiary and Lurgl, the West German chemical company is trying to fine.

West Germany is trying to fine.

The London-based Buropean operation of publi much more ambitious than the preliminary steps being taken in British power stations.

Those merely modify flame characteristics by mechanical means. Fuel-Tech says its technology complements, rather than replaces, the alterations in burner alignment being implemented by the Central Electricity (special part). This implies a reduction of mother than the property of the property o

Britishfinanced.

The London-based European operation is headed by Mr Jeremy Peter-Holbyn, a British engineer and businessman. The company claims that its system hopes that it will be rapidly species.

As the biggest single sources of pollution, power stations and factory in the prior to 1982, the new base year. The change has allowed the company to add film to reserves installing its technology are \$15.

The change has allowed the company to add film to reserves installing its technology are \$15.

The change has allowed the company to add film to reserves installing its technology are \$15.

The change has allowed the company to add film to reserves installing its technology are \$15.

The change has allowed the company to add film to reserves to meet future bonus payments.

Royal London — a mutual life capacity, compared with \$80 — will pass on the windfall to its with-profit, policyholders here.

## Alfa sales 'will double to 4.000 units'

AUDI VOLKSWAGEN (UK) is to spend \$5.7m on building an additional parts warehouse near its Milton Keynes headquarters.

The importer, owned by Mr Tiny Rowland's Lonrho group, expects the facility, on a nine-acre site at Wymbush, to be opened in the summer of 1969.

It is claimed the warehouse

ALFA ROMEO car sales in the from Alfa's record year, 1979, when it sold 13,638 cars. That was before a long decline triggered by product strategy provided for the product strategy provided for the latian manufacture to return to bated, in Mr Kinnsird's view, by poor product planning, marketing and quality problems. The decline appears to have bottomed ont in 1986, at 2,233 units, spits of problems in recent years. Alfa Romeo (Great Britain). AUDI VOLKSWAGEN (UK) is to spend \$5.7m on building an addi-

opened in the summer of 1989.

It is claimed the warehouse of the year have exceeded 800 — more than were sold in the first make possible further more than were sold in the first more than were sold in the summer of 1989. will make possible further improvements in the speed of dis-tribution and availability of parts seven months of last year. If Mr Kinnaird's forecast supplies

The unit is intended mainly to make it easier to service Audi sales in the UK have exceeded

BUILDING SOCIETIES have made deep inroads into services traditionally carried out by hanks, according to a survey in the current issue of the Building moved into services such as travellers' cheques and foreign currency sales. A further 33 offer building societies offer cheque books to their customer, including five of the 10 largest societies. Halifax, the largest is not site only large society to oper-halifax.

ing five of the 10 largest societies. Is the only large society to operthalifax, the largest, is not included because its cheque book than 800 machines.

A similar number of building national, independently operated societies also offer cheque guarantee cards, and Abbey National, The majority of building societies the second largest building society to operated. ATM networks, Link and Matrix, the second largest building society to perated loans up to a legal ceiling of £10,000, but overthalifax, the largest, is not its own ATM network of more striction to perthalifax, the largest, is not its own ATM network of more included because its cheque foot matrix.

Other societies rely on two national, independently operated articles cards, and Abbey National, independently operated articles cards are included because its cheque foot matrix.

The majority of building societies rely on two national, independently operated articles cards, and Abbey National, independently operated articles cards, and Abbey National, independently operated articles rely on two national independently operated articles rely on two national independently operated articles rely on two natio

Nine societies issue Visa or Access credit cards, and Halifax, and Leeds are soon to issue their own cards belonging to the Visa

Legal cards of 21,10,00, but over-drafts on current accounts tend to be more restrictive than those offered by the banks.

The banking services listed in the Building Societies Gazette in

VW's car and light commercial 4,000 units.

This would still be a long way inoved steadily upmarket.

provided by another institution.

most cases differ from those cheques. Even Halifax's Visa offered by banks in one important respect: societies usually offer their customers a service on this showing, the building

Most cheque book accounts, for go before they begin to compete instance, are operated by either with the banks' mainstream curtive Bank of Scotland or Co-operative Bank Transllary' shows a fing way to

the Bank of Scotland or Co-operative Bank. Travellers' cheques
are supplied by either American
Express or Thomas Cook, and
credit cards are issued by other'
originators such as Barclayeard cashcards issued for use in ATMs
are lost or stolen.

bated, in Mr Kinnaird's view, by poor product planning, marketing and quality problems. The decline appears to have bottomed ont in 1986, at 2,233 units,

Alfa's peak-year sales were concentrated in the cheap latch-back sector, with the Alfasud model. However, in the wake of Alfa Romeo's takeover by Flat in January of last year its current and future models are being moved steadily upmarket.

Italian manufacturer to return to its heritage of producing more overtly sporting convertibles, coupes and saloons as well as outright sports cars.

In spite of problems in recent years, Alfa Romeo "has still got a heritage and image many manufacturer to return to its heritage of producing more overtly sporting convertibles, coupes and saloons as well as outright sports cars.

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In spite of problems in recent years, Alfa Romeo "has still got a heritage and image many manufacturer to return to its heritage of producing more overtly sporting convertly sports cars. cars a year by 1990."

On this showing, the building societies still have a long way to

on 25-year policies. This is in addition to the normal bonus increases arising from the assess-

see pay-outs unchanged, while pay-outs on 25 year policies would have increa ed by about 3 percentage points.
Some life companies recently announcing their financial results appear to be using the release of CGT liability to offset the additional reserve being set aside to cover future potential AIDS death claims:

Boyal London has set up a \$8m Building societies 'making deep inroads into banking'

AIDS claim reserve for its Ordi-nary branch life fund from other reserve funds, but has taken the decision to pass on the windfall to policyholders immediately.

#### Marconi gains satellite contract By Mick Garnett

are supplied by either American can automatic teller machines and electronic banking terminals suggests that a high proportion of cashcards issued for use in ATMs are lost or stolen.

Only a few large building societies operate these services directly. Most do not have the resources to follow Abbey National in building its own clearing facilities and joining the Cheque and Credit Company, the national clearing organisation for

CaC Computers and Communications

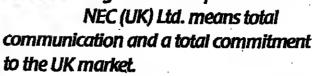
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## Rolls-Royce says use of ceramics is set to take off

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD MARKET for initial purchase price and maint advances composite the worth lower.

sing caranics could be worth lower.

1300m 2 year by the end of this This

2300m 2 year by the end of this This

2300m 2 year by the end of this This advanced composite materials

century, rising to about £2bn a sengine will have to operate at year by 2010, according to combustion temperatures of Rolls-Royce.

This view is expressed in the latest issue of the Rolls-Royce company magazine, which company magazine, which reveals that it is leading a research programme, including both universities and its supplier companies, into the development of materials and manufacturing of materials and manufacturing techniques for advanced gas tur-hine engines which will operate at much higher temperatures

than today. Mr Bob Jeel, chief of materials and mechanical technology for Rolls-Royce, says radically new materials are needed because metals cannot provide the engine performances likely to be needed.

He points out that Rolls-Royce's studies show that a new Ceramic parts must be at leas as reliable as the metal compo nents which they replace. Mr Jeal adds fhat, when the military sogine for the next cen-tury will have to provide a throst of 20 times its own weight, compared with eight times for today's

It will also have to use 25 per developed, cent less fuel for a typical mis- new era it sion than current engines and its industries."

Courtaulds reorganises film and packaging By Anthony Moreton

COURTAULDS has reorganise its film and packaging interests as part of a move over the next 18 months to use its name nance costs will be 25 per cent on all companies in the group, one of the largest chemicals This advanced 21st-century to-clothing concerns in the

> From today, BCL, its manufacturer of callulosic film and other packaging materials, is renamed Courtaulds Films and Packaging.

The operation, under n ing director Mr David Goode, formerly chief executive of BCL, will be divided into two business groups, Courtaulds Films and Courtaulds Package ing. The headquarters will continue to be at Bridgwater, Somerset, where it employs

1,300 people.
Courtaulds Films will comprise all BCL film-producing operations together with Martin Processing, a US manufacturer of high-performance solar and security films bought by Courtaulds last

Courtanids Packaging will include the worldwide printing and conversion businesses. Behind the reorganisation is an attempt by Courtailds to halt the slide of cellulosic products such as Cellophs

Futures brokers clear their last big obstacle

Organising the new system us," says Mr Annand. "Nearly 50

what we believe to surrangement," he says.

The system will allow firms to the responsibility for regulating count as an asset surplus cash or the futures and options markets client funds paid into the parent under the Financial Services Act.

Without its anthorisation firms client funds paid into the parent group's treasury, subject to certain safeguards. They also allow will be unable to carry out firms to include as capital parent investment business on recognize of group-company guarantees in place of bank undertakings.

Where companies dealing in monitor the conduct and capital multiple markets belong to different self-regulatory organisations.

(SROS), a lead regulator will be tion's brief are Liffe (the London appointed to monitor the capital international Financial Futures requirements for all business Exchange), the London Metal

THE ASSOCIATION of Futures done. In this way bureaucratic Exchange, the London Futures 69 of the 135 applications had Brokers and Dealers recently duplication should be avoided, as and Options Exchange (the forbeen cleared, and 47 were ready cleared the last hig hurdle on the should any need for double capture. London Commodity pending clarification of the financial control of the financial co cleared the last hig hurdle on the should any need to the A-Day deadline for tal requirements.

applications when it agreed capital adequacy rules with the Secunitial adequacy rules with the Secunitial value of the problems confronting lished Baltic Futness Exchange, and the recently established Baltic Futness Exchange and th

David Blackwell continues the series on investor protection with a report on the AFBD

which includes the potato, soya

Organising the new system us," says Mr Annand. "Nearly 50 was complex and involved a vast per cent of members who we meal, meat, grain and freight amount of time, according to Mr thought would have difficulty futures markets.

Alistair Annand, chief executive meeting the SIB's original rules of the association. "After 18 will now be able to comply."

The association was officially brokers with no client funds, 50 are introducing brokers with no client funds, 50 are leaks and hank branches, 45 arrangement," he says.

The association was officially or are banks and hank branches, 45 are locals (individuals who trade for their own accounts on Lifte for their own accounts on Liffe and Fox), and 37 are oil traders. The rest are commodity and financial futures brokers.

Mr Annand is confident of clearing before the April 29 A-Day most of the applications from the 135 firms which were already members of the association. They have to apply for continued membership under the new rules in the Financial Services Act.
At the beginning of last week

Applicants whose membership has not been cleared by A-Day will be given interim authorisation to trade. Mr Peter Sime, the association's compliance manager, cannot say how many of the 262 applications for new membership will be cleared by A-Day.

"We just don't know," he says. "But it will certainly not be before the end of the summer."

Most applications held for reconsideration so far cannot be cleared because of problems with access to information - in Jersey, for example. Some branches of foreign banks are fit and proper to trade and have adequate financial resources. They are nevertheless covered by their information, and the association could be seeking changes in

The association is also considering the 100-page book of suggested amendments to its rules submitted earlier this month by the Commodity Traders Group. This London-based research group is uphanny about pressure group is unhappy about the effects compliance will have on business.

We will look at their propos-als very carefully and take a real-istic and pragmatic approach so far as we can within the terms of the act," says Mr Annand. The association plans to visit each member company at least once a

As for any company which might be trying to slip through the net by getting interim authorisation to trade, Mr Annand says: "If there is any reason to believe an applicant has demonstrated standards less than acceptable as home countries' laws on access to to being fit and proper persons to carry on trade, we will thoroughly and enthusiastically investigate them."

#### Bond dealers' association gains designated stock exchange status

THE ASSOCIATION of Interna-tional Bond Dealers, which has gained the status of a desig-groups firms trading in the Euro-bond market, has received confir-mation that it will be viewed on a than British-based exchanges par with overseas stock because its headquarters are in exchanges as the new regulatory Zurich.

structure for the British securi-

A market has to be designated ties industry is put in place, as an exchange for the securities inly to assemble data needed for the securities and investigation of trading practure.

The AIBD's position under UK state that are traded on it to be sold in an investigation of trading practure.

Even although about 70 per London. To receive such status, tices, is thought to have been regulation will be finally conparing the control of Eurobond business is the Securities and Investments crucial to the SiB's decision to firmed when the Department of ary. ties industry is put in place, as an exchange for the securities writes Clare Pearson.

Even although about 70 per London. To receive such status.

Board, the umbrella regulatory body, has to be satisfied an exchange provides standards of investor protection comparable

with those of UK exchanges.
The AIBD's plan to introduce a new real-time trade matching m, which will enable it rap-

in place and recently it has been criticised by the two Eurobond clearing houses, Brussels-based Euroclear and Luxembourg-based

Trade and Industry issues a cer-tificate exempting it from certain provisions of the 1986 Financial Services Act.

The exemption will exclude it from seeking authorisation from UK authorities. An amendment to this effect was contained in a statutory instrument laid before parliament at the end of Febru

## **Heron Trading posts**

TION, UK trading arm of Heron International, has made the following appointments to its board.

Mr Michael Marx, a Heron International director (deputy chairman); Mr Keith Lewis-Badgett, appointed Mr Malcolm Shields. managing director of Heron Service Stations; Mr Richard Morris, managing director of Heron-Freight; Mr Alan Fell, director of human resources; and Mr Peter Court, deputy director of financial operations.

BANK OF SCOTLAND has made the following appointments. Mr Sandy Cameron, senior manager, inverness, becomes an assistant general manager, branch administration, west area, from April 4. until recently sales director and Mr Dick Hirst, manager, systems main board director of Philip director of Philip Mortis (UK), is appointed chief appointed assistant general manager, property, from May 3 in succession to Mr Tom Alexander,
who retires later this year. Mr
Fraser Campbell, a director of
Coopers & Lybrand, Edinburgh,
and a former executive director of The British Linen Bank, becomes an assistant general manager, branch administration, east area, on April 18.

Mr Bryan Bessett, a director of Royal Ordnance, and Mr David NOBLE LOWNDES & PART-Keys, who recently retired from NERS has made the following the board of Morgan Grenfell, have been appointed non-exacu-tive directors on the board of NORWICH UNION.

Mr Frank Threaton has joined the corporate finance division of CHANCERY SECURITIES. He was director of Innotech.

Dr Bernard A. Rickinson, techni-cal director, has been promoted to director and general manager of HLP. (hot isostatic processing), Sheephridge, Derbyshire, a subsidiary of Marshalls Halifax. Mr John Thompson, founder and managing director of HLP., will be retiring in April.

The board of COLLY FARMS COTTON has been restructured following its acquisition by Anglo American Agriculture: Mr David Pinsent, chairman; Mr David Farley, chief executive; Mr Philip Beale, finance director, Mr John Campbell, Mr Patrick Vigors, and Mr Boy Dallimore, directors.

BROAD STREET ASSOCIATES (BSA), principal operating subsidiary of the Broad Street Group, has made the following appointments: Mr John Coyle becomes deputy chairman of Broad Street Associates Public Relations, remaining deputy managing director of BSA. Mr Colin Bayley becomes managing director of the PR company of which he was deputy managing director, and joins the board of BSA. He is succeeded by Mr John Harben. Mr John Emerson takes the new ains on the board of Broad Street Advertising as dep-uty chairman, where he is suc-

ceeded as manging director by Mr Alan Macdonald, who also joins the board of BSA.

ter, stiffer materials which can operate at these higher tempera-

operate at these of composites is under investigation, using glass metals and ceramics as the mairix, with a variety of reinforce

Titantium with fibre reinforce

ment is likely to be used for

engine compressors, and ceramics reinforced by ceramic fibres

Mr Jeel says that the use of fibre reinforcement aims at eliminating the brittleness which

makes ceramic materials unsuit

able when used on their own.

design, materials and the manu-

facturing technology have been developed, this will lead to a

UTORS ASSOCIATION has appointed Mr Malcolm Shields, group sales director, Fossitt & Thorne, as president.

MANCHESTER TOBACCO COM-PANY has reorganised to form MTC (Holdings) and four subsidiary companies: Manchester Tobacco Co., tobacco manufacturing; MTC International, newly-es-tablished sales and marketing company, and soon to be estab-Car Parks. Mr George Mackin.

Mr Peter B. Bonner has been appointed operations planning director VAUXHALL MOTORS. He joined Vauxhall in 1955, and most recently had responsibility for the tooling modernisation programme for the new Astra range at the Ellesmere Port plant, and the new paint plant at Luton.

appointments to its board: Mr Peter Brew, managing directors of Irish Pensions Trust — he is vice chairman of Ireland's National Pensions Board: Mr Ren Bulteel, systems director, he is a director of Noble Lowndes Pensions; Mr Ben Carroll, deputy managing director of Noble Lowndes Pensions, managing director of Noble Lowndes Inter-national, and a director of Bansander Noble Lowndes; Mr Ton Geoghan, managing director of Cubic, Wood & Co., actuarial wing of the group — he will suc-ceed Mr Brian Coots as chief actuary, and chairman of Noble Lowndes Investment Monitoring in December. The group has made the following subsidiary board appointments: Mr Robert Lowndes Pensions: Mr Don McChane, to Noble Lowndes Ben-efit Consultants, Mr Paul Haines, to Noble Lowndes Investment Monitoring: Mr Peter Bowers and Mr David Martin, to Cubic, Wood & Co.; Mr Deamond Braskier, Mr Andrew Cheeseman, Mr Windek Koch and Mr David Pearce, to Lowndes Associated Pensions; Mr Rei Quinn, to Scottish Pensions Trustees.

Dr G.E. Rippon, managing direc-tor of Maun Industries, has been elected president of the ENCH-NEERING EMPLOYERS' EAST MIDLANDS ASSOCIATION.

General Sir Harry Taxo has been appointed a non-executive direc-tor of OCEONICS GROUP.

Mr R.R. St.J. Barkshire has joined the London advisory board of BANK JULIUS BAER & CO.

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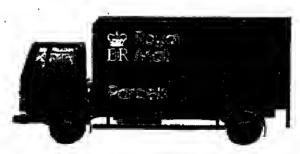
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And like our red trucks, it's one we'd be loath to change.

Royal Mail Parcels SuperService

What you

think of

solicitors

BY CHARLES BATCHELOR

MANY SMALL businesspeople

urge extreme caution in employ-ing the law as a means of solving

disputes. This view emerges in a survey published by the Small Business Research Trust in its

latest quarterly review. The survey looks at the extent to which small businesses use solicitors and what their opinion is of the

Most small businesspeople (78 per cent) were satisfied with the advice they were given while 14 per cent said they were not (the rest did not respond to this question). Despite this high level of satisfaction two thirds of those responding advocated extreme cention in recourse to the law.

cantion in recourse to the law.

One in seven would suggest "sue as a matter of principle" while one in 20 advised avoiding legal action at all costs.

Professional fees are often a point of dispute; 28 per cent of respondents felt fees were not

asonable while 63 per cent said

These figures make for an interesting contrast with the

accountancy profession, surveyed in the trust's previous quarterly

Accountants have made great efforts in recent years to expand their small business activities

Nearly 95 per cent of respon-dents to the earlier survey said

they made use of an accountant while 84 per cent found the qual-ity of service to be satisfactory. However, 35 per cent thought accountants' fees were unreason-

they tend to start to use, or or to make more frequent use of, a

solicitor. In terms of industry sec-

tors, wholesalers, financial services and insurance companies,

estate agents and construction companies are heaviest regular

users of a solicitor's services

while retailers make the least

file audited accounts.

advice they receive.

JAPAN'S MULTINATIONAL corporations are like towers-built on the foundations of thousands of small and medium-sized companies. The big. companies dominate the headlines at home and abroad, but they are dependent on their suppliers for much of the value of their huge sales.

Together, small and medium-sized companies, employ-ing up to 300 people, account for 55 per cent of the country's manufacturing output. They provide an even larger propor-tion of the nation's jobs — 81 per cent. However, many are now under pressure as their

look abroad for chean sources

of supply.
Some have successfully faced up to the challenge. Two examples are Takako Indusexamples are Takako Indus-tries and Satosen, both of which are based in Osaka, Japan's second city. Takako Industries is an engineering group specialising in high-pressure valve parts, while Satosen is primarily a manufacturer of printed circuit boards.

In one key respect, the two are very different: Takako is a young, very independent com-pany while Satosen is an old-established member of a group

Survival in the shadow

of Japan's giants

Stefan Wagstyl follows the different strategies of two

too much on Make

nese yen in the last three years. Like other Japanese companies, Takako has had to lower prices

ita Electric, the electronics giant. None the less, the two. also have several important

Despite being forced to, lower prices in the last three years because of the yen's ciation, both compar are highly profitable. Both have succeeded in cutting-costs by raising productivity without shedding any workers. Both put a strong emphasis on technological innovation as the key to their performance. They argue that only by constantly maintaining its technological edge can Japan continue competing with



Takoko industries: set up to benefit from what it cisims is e volque and radical improvement in cold-forulas

pany's specific needs. "This is how we cut costs," he says. "Wa make sure the workers and the equipment give improved perfor-

mance. If we succeed we can defeat competitors, including the newly industrialised countries (NICs)."

nese engineering company? One of his customers perhaps? Ishi-zaki says it would not be easy to

imitate because it relies on incre-mental improvements constantly

being made by different employ-

The staff are well rewarded for their loyalty. They own 35 per cent of the equity. They are among the highest paid engineer-ing workers in Osaka with an

companies in pursuit of the same goal have been very tempting to share

Takako Industries 15 years ago with his savings and a bright idea. At the age of 29, married with two young children, he did a very un-Japanese thing: he left a safe job at a large engineering company to start his own business with the equivalent of £5,000 in capital.
Ishizaki then worked tirelessly

YOSHIKIMI ISHIZAKI founded

to perfect his innovation — a rad-ical improvement in cold-forging. This is a technique in which components are stamped out of steel without first being heated as in traditional forging. By adapting machine tools and devising special lubricants, Ishizaki was able to perfect a process which, he

says, is unique. To prove his point, Ishizaki holds out a wishbone-shaped piece of steel — a gear-box com-ponent be supplies to Honda Motor. The standard way of making this part is by milling — that is cutting and polishing on machines — at a cost of Y350.

Takako makes it for Y80.

Based on its success with cold

forging, the company has pushed - by 25-30 per cent - but the up both sales and profits by an huge increases in turnover have average of 44 per cent a year for allowed the group to maintain its forging, the company has pushed the past five years, reaching expected sales of Y2.5m and premargins. tax profits of Y600m (£2.6m) in the current year to the end of

Technology accounts for the high profit margins, Competitors using conventional milling tech-Ishizaki is fiercely indepen-dent. He says he left a hig com-pany in order to be free of restricniques spend 25-30 per cent of their costs on materials. At Tak-

development costs with large cus-tomers. But Takako deliberately avoided this route which is often

avoided this route which is often taken by Japanese companies (including Satosen).

In hydraulic parts, which account for 50 per cent of group sales, the six largest customers, all major Japanese pumpmakers, share half the turnover. [Takako recentiv relected a nartial takerecently rejected a partial take-over offer from the biggest cas-

tomer, Kabaya Kogyo.] Takako also makes machine tools used in making microchips.
The biggest buyer, Matsushita
Electric, takes just 20 per cent of
the output Ishizaki says this proportion will not rise. "If we lepend too much on Matsushita, Matsushita may threaten us, so it's our precaution not to be dependent on them. In Japan it is often observed that large companies put pressure on smaller com-panies to make them join their company has suffered very little as a result of the rise of the Japa-

From the beginning the group concentrated on making difficult is as good as he says, why has it components for two very not been copied by a large Japanese engineering company? One - aircraft manufacturers and companies manufacturing pumps and hydraulic systems. Takako found a niche because

Ishizaki says the company's success in winning new orders it was among the first Japanese during a recession is not surprising because big companies re-examine their suppliers when times are tough and look for cheaper from Europe and the US. The company invested heavily in successions.

their costs on materials. At Takako it is just 7 per cent, because
very little is wasted.

This lead has meant that the left a big company in order to be free of restrictions in pursuing his engineering lays heavy emphasis on combinations.

Like other Japanese company average salary of Y4.5m yen a very year that targets are lays heavy emphasis on combination.

Like other Japanese company very year that targets are lays heavy emphasis on combination.

ment with the skills of its work-Satosen's force. Sixty per cent of Takako staff are polytechnic graduates, the rest are from universities. technology They are encouraged to adapt machinery bought from outside. Walking around his machining workshops in a grey two-storey building in a suburb of Osaka, Ishizaki points to machine after machine which has been taken apart and adapted for the company's specific needs. "This is lifeline to the future

SATOSEN'S 50-year history reflects the development of Japa-nese metallurgical industry from metal-bashing to materials science. With skills in coating metence. With skips in coating mer-als, it has advanced from paint-ing and plating steel, to treating plastics and glass and making printed circuit boards. Like many Japanese companies, Satosen has maintained a technological lead by continuous improvements its area. by continually improving its pro-

cessing skills. Satosen's recent development owes much to its links with Matsushita Electric, the Osaka-based electrical group, which buys about 30 per cent of Satosen's sales of printed circuit board and electrical components.

By comparison with many Japanese companies supplying up to 100 per cent of their output to one big customer, this is a very modest level of dependence. But it is enough for Satosen to class itself as being in Matsushita's

EASY VIRTUE

sphere of influence. "We are very deeply involved with Matsuahits," says Mitsuji Sato, the 68-year-old president, whose father founded the company.

In the early days, Satosen con-centrated mainly on chromium plating, performing increasingly specialised jobs to stay ahead of competitors in low-cost countries. Sato says it was never afraid of foreign rivals and sold technol-ogy itemees to South Korea and China.

Today, plating still accounts for 40 per cent of sales. But Satosen concentrates on developing advanced techniques. For example, it is a leader in the plating of steel made by the revolutionary continuous casting process. It recently signed a joint venture with USX, the former US Steel, for a plant in Michigan, following ilar deal in Italy.

a similar deal in Italy.

However, since the early 1970s, Satosen has diversified by applying its skills to markets with greater potential for growth. It has developed laminated stained glass for use in windows and chandeliers in public buildings. A stunning example hangs in the strium of one of Osaka's newest hotels, the New Otani.

The group's most important

move was to become a supplier of components to the electronics industry, especially to Matsush-ita. Starting with simple printed circuit boards where electronic components are assembled on one side only, Satosen gradually introduced more sophisticated

Sato says: "This has been our strategy for survival. If our technology is not to be emulated by foreign companies in newly industrialised countries we have

Satosen was forced to cut the price of printed circuit boards by

improve productivity.

Laying off any of the 160 permanent staff was unthinkable.
But Satosen reduced the working
hours of its 45 pensioner and secret is in the small company's ability to involve the whole working problems. part time employees. Such people ability to involve the ware common even in small Japanare companies — they provide However, it must

productivity of the permanent a highly-convenient source of staff by increasing automation. extra capacity and a useful chan-in partnership with an equip, nel of technical innovation.



ment supplier, Satosen developed a machine which prints both sides of a circuit board simultaneously. The company also introduced a computer bar-coding sys-tem to track all 1,500 of the components it makes to reduce stockholding to a minimum. The relationship with Matsush-

ita in electronic components is even closer than the sales figures suggest. Matsushita and Satosen frequently develop products jointly. Often development costs are shared; sometimes Matsush-ita just pays a part of Satosen's costs. Satosen is free to enter similar development projects with other customers but it is not allowed to share Matsushita tech-

nology with them.
Satosen clearly needs Matsushita, but why does Matsushita need Satosen, when it is itself a major manufacturer of electronic components - less than half as and anyway have automatic access to small firms required to

ger runs. Yoshio Okada, Satosen's man-

\*Quarterly Survey of Small Business, Vol 4 No 1, E15 from Small Business Besearch Trust, Francis House, Francis Street, London SW1 1DE, Tel 01-828 5327.

versions; it now concentrates on double-sided boards.

moustrialised countries we have to keep developing it." components? Indeed, one of its subsidiaries, Matsushita Electronic Parts and Components, ought to have a price advantage when Japanese industry was hit when Japanese industry was hit components — less than half as after 1985 by the rise of the yen. many as Satosen — in much lon-

price of printed circuit boards by Yoshio Okada, Satosen's man-25 per cent. The group's sales aging director, says the compa-alumped from a record Y4.5bn in 1985 to Y4.5bn in 1985, pushing profits down from Y250m to handle short runs very quickly profits down from Y250m to handle short runs very quickly and economically. In effect Sato-sen fills the gaps in Matsushita's recovered to sales of Y4.5bn and own production. "One point of profits of about Y150m — but only after an intense drive to produce whatever products they don't want to moduce. They

nese companies — they provide employers with a convenient and cheap way of boosting output to rely on Satosen. It might be when times are good and cutting it when times are tough.

More important, Satosen raised ton. But that would mean losing the productivity of the provided in highly convenient and solve in the satisfactory.

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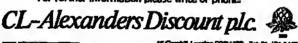
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## Blueprints from Turner

Turner's paintings that he did not simply record architecture but placed it in its context of

Not only did Turner design his own house in Twickenham but own nouse in Twickenness our the gallery he built in London to display his own work was also an important demonstration of the use of natural light in the display of works of art.

At the Tate Gallery in the Clore Wing that houses the entire Turner Collection, there is one of those small but illuminating exhibitions that concentrates on one aspect of an artist's work.

"Turner and Architecture" can
be seen in the Watercolour Room
of the Clora Wing until July 10.

Houses.

The exhibition is an example of imaginative sponsorship by Drivas Jonas, Chartered Surveyors, who will from the beginning of April assume some of the responsibilities for the Tate's buildings that had previously be carried out by the Government's Property Services Agency.

This exhibition also gives the This exhibition also gives the visitor an opportunity to look again at the work of the architect James Stirling who designed the Clore Wing and is working at the Tate in Liverpool and on further expansion schemes for the Tate on Millbank. Mr Stirling was recently whereal at the next in the

tion prompts all sorts of architec-tural thoughts, but they should not disturb the appreciation of the frequently brilliant quality of the frequently brilliant quality of bought at Twickenham. He first

Architecture was clearly an important part of Turner's life from the time when he was only 14 and was employed by Thomas Hardwick (1752-1829) to draw up elevations. Hardwick won the petition for the Millbank Penitentiary which stood on the marshy site of the present Tate Gallery. However, his design did not get much further than the boundary walls because he resigned feeling hard done by

Hardwick was a regular and serious classical architect who toured Italy and spent three years measuring the great ruins of antiquity. He must have inspired the young Turner. Per-haps a more important infinence was Thomas Malton (1748-1800). who taught a perspective class at his home in Conduit Street which was attended by Turner and Thomas Girtin.

Malton's work made use of the then newly invented process of aquatint and his "Picturesque Tour through the Cities of London and Westminster" must have recently pipped at the post in the impressed Turner with both its competition for the new opera house in Toronto by the Canabase in Toronto by the Canabase

because of his intense solitude but later the name was changed to Sandycombe Lodge.

It was a simple, almost Soanian design, not dazzlingly original but a serious attempt to reconcile in Turner's dual interest in the Palable ladian and the Picturesque, subline. It would have been fastined John Soane and was partly infinite enced, I suspect, by the villa series who waked for Soane — to show alongside some of Turner's work on this exhibition is quite

gatehouses that Turner designed for friends at Fawley Hall to Yorkshire, but much the most interesting building he designed was his own gallery. He opened his new premises for the display of his own work at 47 Queen Anne Street in London's West Turner's Professorship of Perkad in 1822. In the sketch book for the gallery project. Turner for the gallery project, Turner seems to have been much preoc-cupled with the question of light-

He introduced top lighting comparatively early — it had only been put into the Louvre in 1821. Ruskin's father claimed that "nothing since Pompeii so impressed me as the interior of Turner's house," and other visitors commented upon the "Indian red" of the walls and the remarkable quality of the light which was filtered by the hanging of a herring net below the glass.

"Consider the pleasure of being your own architect," wrote J M bad produced an intriguing who W Turner to his friend James Holworthy about one of the three building projects that occupied much of his time. It is clear from Turner's paintings that he did not simply record architecture into disturb the appreciation of the integration of the integral of the prompts all sorts of architecture into disturb the appreciation of the integral of the prompts all sorts of architecture into disturb the appreciation of the integral of the produced an intriguing who is swith looking first of all at the sketches and plans of Turner must have led to er's own buildings. In 1811

Turner left his house in Hammer play of paintings, particularly as smith for Sion Ferry House at Soane's Dulwich Picture Gallery laleworth and it was from here that he supervised the building of painting and architecture that he supervised the building of the street of the three but had opened in 1811. Turner's that he supervised the building of paintings and architecture that he supervised the building of the street of the three but had opened in 1811. Turner's that he supervised the building of the su bought at Twickenham. He first called this house Solus Lodge because of his intense need for solitude but later the name was

hard to grasp for the average vis-

spective at the Royal Academy is well told here and the watercol-oms of Pulteney Bridge in Bath and of the tower of Hawksmoor's St George's Bloomsbury are clear demonstrations of the rules of perspective and their implica-

tions for our perception.

The riches of the Turner The riches of the Turner is well known and is Bequest are profound and there lighting effects rub off on some of is inevitably the sense of frustration when you can only look at glories of the street view of Merone page of a sketch book. The view of the interior of Durham our and light. The bright and flippart capital is an extraordinarily and the view of the Turner was more interior that powerful work and the view of that Turner was mocking the the portico of St Peter's in Rome kind of tourist views that were so



Turner's London Bridge, with the Monument and the Church of St Magnus, King and Martyr

shows an alternative approach to the idea of grandeur observed by Turner on a delicate scale.

The effect of Venice upon Turner is well known and its lighting effects rub off on some of his English views. Look at the Do not confine yourself to the restriction of the restriction of the postcard for the equivalent of the equivalent of the postcard for the equivalent of the postcard for the equivalent of the postcard for the equivalent of the equiv

missed by anyone interested in both architecture and painting. Do not confine yourself to the watercolour room because it is when you look at paintings in Gallery 104 like the "Forum Romanum" that the true fruits of Turner's architectural vision can he seen at their most sublime.

#### The Story of Kufur Shamma

#### Clare Dalziei

company, El-Hakawati, is presenting The Story of Kufur Shamma until April 16. El-Hakawati is based in an

abandoned cinema in East Jeru-salem and peddles its remarkable plend of mime, folklore and allegory around the settlements and camps of the West Bank as well as taking its stories further afield into Europe.

The Story of the Eye and the Tooth" (1986) earned it a reputa-tion for hardline commentary on the politics of Palestinian disement. Kufur Shamma, the story of a fictitious village destroyed by Israeli troops in 1948, is a more wistful look back at a lost culture and a resigned look forward to the new breed of

Palestinians living abroad.
"I am not from here, I am from nowhere. All that I love has been taken," sings the masked gypsy player to Kufur Shamma's last village chief. Walid, brother of ef, returns from university abroad to find the houses razed and the inhabitants vanished. Only the village fool remains to tell the tale.

Together they set out to trace the scattered people of the vil-

The Almeida has hit back swiftly lage, a journey taking them past at the charge of its funding body, Haifa. Beirnt and Tripoli, Greater London Arts, that the through the grey limbo of the theatre fails to cater to the tastes refugee camps to the more pros-of Islington's minority groups by perous displacement of Kuwait staging a play about the most and suburban Massachusetts. It newsworthy of minority groups, is here that Walld finally tracks the Palestinians. The Palestinian down his friends, but he finds company, El-Hakawati, is presenting The Story of Kufur of Sinatra than the sounds of

The metaphorical story is played out against a skeleton set - a lifeless tree, an ornamental gatestone, door frames, scattered sand - fleshed out inventively with tissue paper props.

The six-strong cast use masks and frequent costume changes to represent the displaced communities. To make things easier for an English audience, subtitles are projected onto screens charged lating the scenes and the diaected onto screens encapsulogue switches strategically from Arabic to English.

All these ancillary props could be confusing, but in the event, the emotional conviction of the cast, with the aid of effective lights and musical accompaniment, ensure a fascinating enter-

Whether it is by choice or by the pressures of Israeli censor-ship, El-Hakawati have certainly moved away from frontline politi-cal satire. But in this production they have lost none of their skill in getting across the message of keeping their cultural identity

#### The Dark at the Top of the Stairs/Derby

#### **B** A Young

London Philharmonic/Festival Hall

Richard Fairman

Contrary to the impression given by most concert programmes, there is life in the Russian symphony beyond Chaikovsky. The challenge of pouring traditional Russian folk themes into a West-arm classical mostly and then

play, given a welcome production at the Derby Playhouse, was partly autobiographical, though it is unlikely that his early life in rural Oklahoma arranged itself

so dramatically.

The play is like a clockwork toy, family situations are wound up in the first part of the evening and, when the power has been expended, they are neatly reversed so that by the end of the evening the motor is run down, the tensions alackened.

ern classical mould and then forging from them a nationalist

symphony was one taken up by a number of other leading compos-ers of the time, including Gla-zunov, who was arguably the most determined classicist of

ICES

roy), dividing her life between the piano and the library, has become a swamp of self-pity. Her brother Sonny, about 10, (Ste-phan Clements on the night I was there, and very good indeed) is selfish and bad-tempered, and still climbs into his mother a bed

evening the motor is run down, the tensions slackened.

Rubin Flood (Robert Jezek), once a rancher, has become a travelling salesman. His wife to cora (excellently played by Barbara Pairson) tends to boss him (Stefan Escreet), tall, handsome, about, and on this particular evening so annoys him that he slaps her and threstens not to is a hit with the Floods, their come back. His children are friends and their relations; but to

The weakness of the piece lies not in its broad outline but in the lack of character in the music that fills it. For all its emotive harmonies and lush orchestration, the slow movement shows that there is no substitute for a

Willaim Inge conceded that this entirely under their mother's he Jewish is a misdemeanour in never heard of a suicide that was influence, and she spoils them new-rich Oklahoma, and there is expected," and, later a suicide disastrousty.

Teenage Reenie (Teresa McRi-which Reemie runs away.

> with another girl, but in fact, when Reenie had gone missing, he had spent the rest of the evening looking for her. He too was short of appreciation.

The events at the party are told at the Floods' home, not shown on the stage. (Indeed all the first proper relationships the action is played in the living room, which designer Ruari Murchison has made very spacious and included a fine symbolic staircase.) Reenie's version is that Sammy had been necking with another girl, but in fact.

The midwestern home life is familiar from movies and televi-sion, and Inge has peopled it with convincing characters and affecting emotions, though sometimes he uses a little too much conver-Next day, Flirt reports that he uses a little too much conver-Semmy committed suicide during sation across the table to make the night; Inge admitted that the them clear. The company, suicide was rather brusquely directed by Annie Castledine, is introduced; but, as he wrote, "I admirable.

and the performance of the sym-phony generated no less excite-brash, technicolour concert ment than Rimsky-Korsakov's required.

Norwich Cathedral du Pre concert

What put the Sir

in Sir Walter Scott?

Walter Scott was given his knighthood for services

The Glenlivet 12 years old single malt whisky.

However, there is a school of

thought which is puzzled by his constant publicising and praising of The Glenlivet®

single malt whisky. It is mentioned

This whisky was also the

Monarch of that time's favourite tipple. It was said "he would

Is there a connection between these two facts and his knighthood? I believe

frequently in his writings.

drink nothing else".

we should be told,

It has been commonly assumed that Sir

#### Mahler/Festival Hall

#### **Andrew Clements**

The BBC Symphony Orchestra phlegmatic and uninvolved, and chose to end its current South never remotely the harbinger of Bank season on Sunday, At the any kind of apocalyptic experichose to end its current South Bank sesson on Sunday, At the Festival Hall, John Pritchard con-ducted Mahler's Second Sym-phony, the Resurrection. It is dif-ficult to avoid making a special event out of a performance of this work, but despite the added resonance that Easter Day gave to it, this one often steered close

Pritchard has a deserved reputation for the clarity with which he handles the massive, overripe products of late romanticism, and characteristically he obtained first-rate, alert playing, immacu-lately balanced, from the BBCSO on this occasion too. What his account consistently

lacked, however, was a dimen-sion of intensity. There is no sin-gle path to success in this symphony, though the poles of credible interpretation are probably defined by the nerve end inci-siveness of a Solti at one extreme and the massive certainty of a Klemperer at the other, But what does not work, as Pritchard

Many of the transitions in the first movement were deftly man-

aged; every element was fitted into place with great skill. But the scherzo was characterised by its instrumental efficiency rather than any sense of spectral par-ody, and even Linda Finnie's carefully expressive account of the "Urlicht" setting seemed in this context merely to offer a commentary upon, rather than a direct musical experience of, its

literary content.
That, ultimately, was the troubling aspect of this Resurrection Symphony: its willingness to recollect the work's expressive world in a contained tranquillity rather than to tackle its ambigu-

rather than to latest us almost effortities head on.

The finale was almost effortitiesly rendered, and contained many beautifully realised effects.

Miss Finnie was joined by Kiddwen Harrhy and the continued forces of the BBC Symunderlined, is to allow the symphony Chorus and the London phony to play itself.

It was impossible not to allow final apotheosis failed to raise the the spirits to sink even at the pulse rate — no sense of affirma-impact of the opening string tre-molandi, made here to seem triumphantly vindicated.

### Pavarotti & Freni in San Francisco Bohème

plete recorded cycle of the symphonies to his credit. The lusty plants but also a change of proorchestral sound that one associstes with his days at the SNO to play Beethoven's Estperor
was largely reconstituted here Concerto, as fluid and graceful in
(LPO brass forward and raucous) style as one might expect, but not

There will be a concert on April

10 in Norwich Cathedral to commemorate the cellist Jacqueline and Norwich Triennial Festival memorate the cellist Jacqueline and the Multiple Scienosis Society, which will receive the protected by the Norfolk The Welsh soprano Margaret followed by Schumann's song Price will give a recital at Covent cycle Frauenliebe and Leben, She will be accompanied at the plano tiple scienosis.

#### **Opera and Ballet**

#### LONDON

Royal Opena (Covent Garden). Peter Hall returns to Covent Garden as producer of the eagerly awaited new Salomé, conducted by Christoph von Dohnanyi, with Maria Rwing in the title role and Robert Hale as John the Raptist. Final performance of Un Ballo in Maschera conducted by Richard Armstrong with Anna Tomowa-Sintow, Peter Dworsky, and Piero Cappuccilli. Ragista National Opera (Collseum). Nicholas Hyiner's new production of The Magic Finic is comfucted by Ivan Fischer, and has Thomas Randle, Helen Field, John Rawmsley, and Gwynne Howell in the principal roles. Also in repertory: Isn Judge's production of Cavalleria Rusticana and Pagliacei, lively, inventive, over-detailed, return with a cast including Jane Eaglen, Arthur Davies, Angela Feeney, Alan Woodrow, and Jacuk Strauch.

Royal Ballet (Royal Opera House, Covent Garden). Triple bill of recent stagings.

PARIS

2 Mrtvehe Doum (Salle Favart, Opera Comique), Jamebak depicts Doutoy-evsky's obsessive memories from the prisoners' pathetic universe in Siberia. It is conducted by Sir Charles Mackernas/John Burdehin in a production by the film-maker Volker Schloendorff. (47 42 53 712) Anionta (TMP-Chatelet). After a Tehekov Novella, in Vladimir Vassiliev choreography danced by Vladighr Vassiliev, Eksterina Maximova and denoars from Moscow's Bolshol. (42 83 44 44).

## Shanghai Ballet (Kan'i Hoben Hall, Gotanda). The Legand of Hua Mu-lan (Wed), Phoenixes Singing on Qi Mountain (Thur). First foreign tour by a company which is said to have some fine young dancers: a rare opportunity to confirm the revival of hallet in China. (361 6141)

#### Music

#### LONDON

City of London Sinfonia (Barbican Hall). Directed by Andrew Watkin-son, violin with Jack Brymer, clari-net. Bach, Mozart and Vivaldt. (Tue). (638 8891). London Symphony Orchestra (Barbi-can Hall). Conducted by Michael Til-son Thomas with Jorge Bolet, piano. Richard Strauss, Lisat and Ravel.

#### TOKYO

Warsaw National Philharmonic Orchestra (Tokyo Bunka Kaikan). Conductor Kazimierz Rord, with Piotr Paleczny (pisno). Mussorgaky, Rachmeninov, Brahms. (Mon) (374

Rachmaninov, Brannat. (2002) (274
5165)
Alfred Prinz (clarinet) with Maria
Prinz (pisno) (Tokyo Bunka Kafkan,
Recital Hall). Schubert etc. (Tuen)
(470 2727)
Yelim Bronfusan (pisno), Japan Philharmonic Orchestra, conducted by
Yukinori Teguka. Saint-Saine, Stravinaky, Mozart. (Wed). (224 5911)
Wiener Volksopern Orchester, conducted by Budolf Bibl, with Mejanie
Holliday, Mirjana Irosch, Richard
Karczykowski. An evening of Viennese operetta. Kan'i Hoken Hall,
Gotands (Thurs) (407 8242)

Jackie Lubeck and Iman Aoun in a story about a

Pop over Easter

fictitious Palestinian village destroyed in 1948

Luciano Pavarotti and Mirella son (November, December 1988).

Freni will sing seven performances of La Bohème during the viously announced double bill of San Francisco Opera's 1988 sea.

Margaret Price recital

Margaret Price recital

The Welsh soprano Margaret Price recital

The Welsh soprano Margaret Price will give a recital at Covent Garden on April 5 consisting of songs by Haydn and Beethoven, by Graham Johnson,

Arts Guide

April 1-7

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April 1-7

Anyone hooked on country music had no choice this weekend. They could labour up to Wembley for the International Country Music Festival, dressed like a Basildon cowboy, with the wife a depressed and moulting squaw, to sheepishly act out their Western fantassies alongside range riders from Runcorn and the Bracknell tribe while Nashville stalwarts entertained them with songs of travelling men who swopped family life for an empty bourbon glass. Or they could slip town prejudices. Lovett is more lyrical than you would expect them are resonant by the back-male more resonant

the fiture in the second Croasing the Border Festival.

This excellent idea presents artists from around the world who share the universal passion for "roots" music, for music that touches the primal chord. On successive nights, there was Lyle Lovett, currently the hottest "new wave" country star, from Texas, Billy Bragg, all the way from Basildon; and Ofra Haza from Israel, with good old Yemenite Jewish music.

The best festivals are like heaven: they have a tendency to last forever. By the time Lyle Lovett reached the Elizabeth Hall stage on Saturday, we had welcomed Some Like it Hot, the ultimate cabaret warm-up act, and the Hank Wangford Trio, the cod country quartet presided over by that most chic of gynaecologists, Dr Sam Huit, who finally hit his stride with his tribute to the International Year of the Yodel.

If any singer could maintain the momentum it was Lyle Lovett. Dressed like a Western preacher man in a dreadfully cut black soit and with a crest of a haircut which must represent some personal penance, Lovett manages to be both laid back and emotionally intense at the same obviously graduated with honours from the Bette Midler charm

time.

He is the lone hitchhiking obviously graduated with honours from the Bette Midler charm wierdo you might just give a lift school. Dressed like an LA tart, to, only to have doubts when he she introduces "This girl ain't for to, only to have doubts when he she introduces "This girl ain't for launches into song. Many are sale" with a verbal assault on the written from a broken heart and ladies in the audience who serve are not generous spirited in "LA themselves up as the sweet to County" he gets even with his men who buy them dinner, with girl who married an old friend all the subtlety of Derek Jamlewith the help of his own old son. She has everything necesfriend, a coal black .45. In "God sary to be just as popular, plus a Will" he allows that God might prettier midriff.

## Travelling on Business? Enjoy reading your complimentary copy of the Financial Times when you're staying . . . . . . in Milano at the Diana Majestic, Duca di Milano, Hotel Excellsior Gallia, Hilton Hotel, Hotel Michelangelo, Hotel Palace, Hotel Principe di Savoia

them all.

Of his eight symphonies, the Fifth — given by Neeme Järvi and the London Philharmonic Orchestra at their Festival Hall work up a lot of steam about issues that are never seem

gest.
Glazunov was at the height of his powers when he wrote it in 1895 and his mastery over classical form is complete: it is one

#### **FINANCIAL TIMES**

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## Lack of vision on benefits

representing the disadvantaged poverty trap is far from elimiconstitute, by any standards, e nated; indeed the number of familiappointing reception for ilies facing marginal tax rates of reforms which the Thatcher Gov-70-90 per cent as benefits are erament once claimed were as withdrawn is estimated to have ernment once claimed were as radical and exciting as those out lined by Sir William Beveridge in the 1940s. The social security changes being implemented this tinctions. Income support is agemonth have certainly not caught the popular imagination; they fall far short of the "new Beveridge" 26-year-old will get significantly less assistance than a far short of the "new Beveridge" 26-year-old regardless of their promised by enthusiastic ministers in the mid-1980s. Indeed, far from bolstering the Government's position in a sensitive ment's position in a sensitive tain client groups re-introduces area, the changes are likely to the old Victorian distinction prove a continuing embarrass- between the "deserving and the ment for Mr John Moore, the undeserving" poor. Social Services Secretary.

Much of the hostility reflects a broad consensus that the Government has been insufficiently generous in setting the levels of new benefits. Some independent estimates suggest that up to 60 per fund". Grants for urgently cent of benefit recipients could hosehold cookers are to of the chances Such figures on the replaced in many instances by

of the tax and benefit systems reform. There can be no justifica-can no longer produce the absur-dity of effective marginal tax ting back bousing benefit while rates in excess of 100 per cent - leaving mortgage interest relief people will not be made worse off and other middle-class perks by working harder, except to the extent that they incur additional national insurance liabilities.

The price of the rationalisabeen eliminated. We are still tion, however, is high. The base awaiting a "new Beveridge".

THE INSTALLATION of tough ing of benefit on net incomes floor-to-calling barriers to protect means that many poor families staff in British benefit offices and no longer benefit from increases a storm of protest from groups in the income tax threshold. The

lose out in real terms as a result of the changes. Such figures are hotly contested by ministers, who emphasise the importance of transitional reliefs. Whatever the truth behind the conflicting caltudations, the Government cannot claim to have "lubricated" the reforms generously nor can it deny imposing a relative squeeze on the poor.

be replaced in many instances by be replaced in many insta Questionable distinctions

The stinginess of benefit levels obscures some modest structural improvements. The old benefits system was extraordinarily complex with many different scales and a web of special payments. Interded a many inching stores of reduced future benefits or, more likely, by falling into the clutches of local loan sharks. Imposing fresh debts on sharks. Imposing fresh debts on the proper already below the poverty lime is totally unnecessary.

Historians are likely, by falling into the clutches of local loan sharks. Imposing fresh debts on the clutches of local loan sharks. Imposing fresh debts on the clutches of local loan sharks. Imposing fresh debts on the clutches of local loan sharks. Imposing fresh debts on people already below the poverty lime is totally unnecessary.

Historians are likely, by falling into the clutches of local loan sharks. Imposing fresh debts on people already below the poverty lime is totally unnecessary.

Historians are likely to regard the "Fowler" social security reforms as little more than a people already below the poverty lime is totally unnecessary.

and a web of special payments my-pinching stopgap. They do not for special needs Different types address the real problems, not of benefit were calculated according to different criteria, with of their scope. The hope must be peculiar results. The new income that a future government will support is simpler and related to work on a larger canvas and not net rather than gross income, try to draw an artificial line The upshot is that the interaction between benefit reform and tax untouched. Welfare for the poor should be shrunk, if at all, only

## Rules for the Gatt system

distant date is offered as a substi-tute for virtue today. Similarly, the agreement of the European the OECD is the natural institu-community, the US and Japan on the OECD is the natural institu-tion for evaluation of the eco-ment on Tariffs and Trade could prove an alternative to willing-ness to abide by Gatt principles better situated to evaluate of and rules right now.

nd rules right now. economic appropriateness of If the aim is to strengthen the developing country trade policies. trading system, one needs to start with the Gatt's essential sature. The Gatt is a contract. Gatt obligations are designed to ensure a degree of consistency, predictability and liberalism in the trade policy of member coun-

To strengthen the system, that violate threa things have to be tion norm the attempted: first, the rules them. selves have to be written in a lt is far more important to clearer and more economically strengthen the effectiveness of clearer and more economically strengthen the effectiveness of sensible form; second, the Gatt the norms of the Gatt system in secretariat has to play a more the trade policies of the member effective role than at present in countries. At the moment, exceptioning the rules; finally, the tions to the general principle of domestic politics of the member countries have to be altered to such as countervalling duties or make the rules and the principles safeguard protection, have force effective role than at pray a more effective role than at present in policing the rules; finally, the domestic politics of the member countries have to be altered to make the rules and the principles underlying them more politically effective.

WHEN CRITICISED about the US policy, but these should surely budget deficit, the Administration stresses its support for a balanced budget amendment to the mean that the economic appropriate enactment of virtue at some cies should not be assessed. But distant data is efforted at such at these installations.

#### Simplest change

Gatt obligations are designed to ensure a degree of consistency, predictability and liberalism in the trade policy of member countries. The contract will fail to achieve its central purpose if important contracting parties incantries the rules whenever they find them inconvenient.

To strengthen the system, There is also a limit to the tion norm that is central to the

in domestic law, not the more fundamental norms themselves. Breaches of law

At present, a number of rules can be obeyed formally, even though the underlying purposes of the system are thereby violated. For example, the article dealing with the use by developing countries of quantitative imports restrictions for balance of such interventions is required. payments purposes has given even when those interventions are payments purposes has given even when those interventions even when those interventions are permitted under the Gatt.

At present, there is a danger of duties are in danger of becoming adding new floors to a building whose costly distortion of trade than dumping.

But too much should not be arrected of changes in the Catt import restrictions for balance of such interventions is required

than dumping.

Ing. But too much should not be expected of changes in the Gatt as an institution, the most important as an organisation. What is reform would be to allow the Gatt Secretariat to take a lead in publicising breaches of Gatt law, improved surveillance, and the publicising breaches of Gatt law, improved surveillance, and the strengthening of the rules, about there is, unfortunately, too often a conspiracy among the member countries to all, strengthening of the Gatt Reep violatious secret.

The surveillance function of heavyour than Gatt Secretariat could include country reviews of trade

The surveillance function of include country reviews of trade

Ing. But too much should not be expected of changes in the Gatt obstreperous — the teachers or the leachers or the leachers or the teachers or the leachers or the leachers or the teachers or t

Clive Wolman describes the change in academic thinking brought about by the stock market crash

## Efficient market theory stumbles

THE STOCK MARKET crash last October has reversed a 30-year intellectual trend which provided the ideological underpinning for many of the 1990s' government and corporate initiatives around the world – from privatisation and the liberalisation of financial markets to the acceptance of takeover battles.

per cent in world stock markets and the lack of any economic developments to justify them, either at the time or over the subsequent six months, have become impossible to reconcile with the The sudden falls of between 20 and 40 theory that share prices consistently reflect the underlying values of compa-

reflect the underlying values of companies.

Mr Stewart Myers, Economics Professor at the Massachusetts Institute of Technology and London Business School, has, through his publications, played a key role in spreading understanding of what is called the efficient market theory from beyond the business schools, where it came into fashion in the late 1960s, to practitioners on Wall Street and, during the last five years, in the City of London. But at a conference last week on the stock market crash at the London School of Economics, Mr Myers recanted. "The efficient market theory is dead, at least in its simple form," he said.

In all its forms, the theory insists on the rationality and stability of stock markets and denies that they engage in bouts of wild speculation. Share prices, it claims, represent the best possible estimates of companies' future earnings in the light of all publicly available information.

In the hurly-hurly of City dealing

In the hurly-burly of City dealing rooms, where anomalous price move-ments are exploited daily, the theory has always been dismissed as the prod-uct of remote academic theorising. Likewise in company boardrooms it is rare to find a director who does not believe that his company's share price is both too low and prone to inexplicable gyrations.

However the influence of the theory on both public policy and corporate management has become pervasive, not management has become pervasive, not only in the UK and US, but also in western Europe and Japan. A number of consequences have followed:

Institutional and fiscal obstacles — like stamp duty — which discourage share trading have gradually been dismantled in the belief that they prevent share prices from adjusting swiftly to their "irue" value in the light of new developments and information.

Small investors have been encouraged to buy stock market listed shares as the worry that they will be sold "duds" (unfairly overvalued shares) has diminished. According to the theory, professionals have and small investors lack is already reflected in the share

 The growth of passively managed avestment funds in the US and UK has been based on the belief, and growing evidence, that professional active fund managers are incapable of making

money by spotting under-valued or over-valued shares. According to the theory, such shares rarely exist.

• Takeover and merger activity has been encouraged as a way of promoting managerial effectiveness. Companies

only become vulnerable to takeovers when their share prices are depressed and that, according to the theory, is because their prospects under existing management are poor. Rids are made by companies with more highly rated share prices which means that their managers are considered of higher

quality.

• The rationale for conglomerates has been steadily weakened. Stock mar-kets, by impounding all available information about a company in its share price, can show a better understanding of its prospects than a remote management in head office. With the back-up of the takeover threat, stock markets can thus impose a more effective disci-

pline on e company than the conglomerate headquarters.

The belief has grown that the stock market can be a similarly effective discipline on the management of companies that have been in public ownership. Hence the rationale for pri-

Since 1953, and particularly during the decade before the October crash, when the volatility of most stock mar-kets was fairly low, the evidence in support of the theory was Impressive. Mr Michael Jensen, Finance Professor at Rochester University in the US and

The stock market is a game of musical chairs or snap where the winner moves fractionally ahead of everyone else'

Harvard Business School, claims the theory is the most thoroughly tested in the social sciences and several hundred academic studies have been written in support of it. But, as the LSE conference demonstrated, the October crash has given new life to its critics.

The popular view that stock market investment is more about inflating and nt is more about inflating and investment is more about inflating and bursting speculative bubbles than about making rational long-term fore-casts dates back at least as far as the South Sea Bubble in the 18th century but found its most articulate exponent

in John Maynard Keynes.

Professional investors, he wrote in 1935, are concerned "not with making superior long-term forecasts of the workship viole of an investment case its whole life but with foreseeing changes in the conventional basis of valuation a short time ahead of the general public. They are concerned not with what an ment is really worth to a man who buys it for keeps, but with what the market will value it at, under the influence of mass psychology, three months or a year hence. The stock market, he said, is a game of musical chairs or snap where the winner is the one who makes his move fractionally ahead of everyone else.

Professor at Harvard University, presented to the LSE conference an interpretation of the crash which was based on the interplay of two types of investor. One is the long-term "negative feedback" investor, embraced by the efficient market theorists, who buys shares when they become cheaper and sells them when they become more expensive But, in Mr Summers's view, the stock market also contains many "positive feedback" investors of the sort described by Keynes. They are short-term active traders or less sophisticated small investors who buy when the share prices rise and rush to sell when they fall.

when they but.

When small share price movements occur, he said, the negative feedback investors predominate and help to preserve stability. But when a larger fall, or rise, occurs in a period of incres or rise, occurs in a period of increasing litters, the positive feedback players can overwhelm the rest. In fact, many investors who consider themselves negative feedback players become the opposite as the more primitive emotions of greed and fear overcome rationality. In such situations, prices can continue falling almost without limit or at least until they become so absurdly low that the negative feedback starts to work again. Stock exchange institutional weaknesses, such as the influence in the US of portfolio insurers, who represent the most extreme form who represent the most extreme form of positive feedback players, can aggra-vate a collapse. More generally, the pressures on institutional fund manag-ers particularly in the UK and US, ers particularly in the UK and US, whose main concern is to ensure that their own short-term investment performance is not perceptibly worse than that of their competitors, makes them all liable to become positive feedback players in times of crisis.

The other speakers at the conference, in particular Mr Myers and Professor Mervyn King of the LSE, helped to flesh out this interpretation of the crash. Stock market investors and

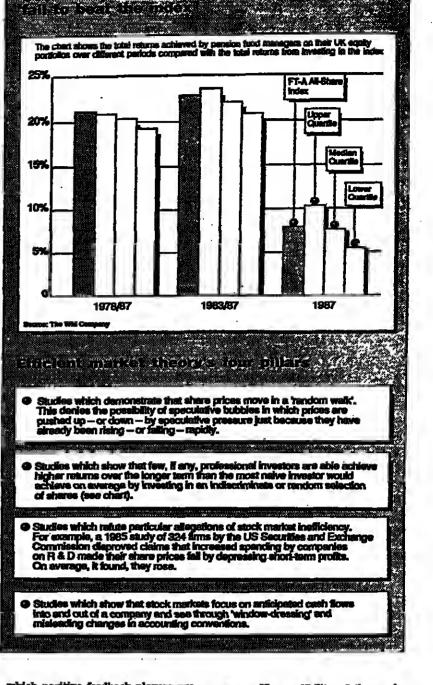
crash. Stock market investors and financial theory, Mr Myers said, were good at making relative valuations. If yesterday's share prices can be assumed to be correct, inday'e can be correctly assessed in response to fresh economic developments. If British Petroleum's share price is correct, then Shell's can be compared and fixed with a high degree of accuracy.

But the crash demonstrated, he said, the filmsiness of the tools for forecast-ing long-term profitability on a macro-economic level and for analysing the absolute values of financial assets in relation to those forecasts. The princi-ple behind the simple form of the effi-cient market theory — that there is a single "true" value for the level of share prices — has to be replaced with of plausible values.
Faced with chronic uncertainty as to

what the true level of share prices should be, investors are forced to take their lead from each other and increasingly from investors in other world stock markets. At a time of high anxiety and share price volatility, as during the weekend before October 19, the risks of contagion from one market to However, the events of 1987 cannot be adequately explained by the growth and burst of a speculative bubble in

England director who chaired the LSE conference, suggested that the poor quality of pension fund trustees explained many of the undesirable pressures on investment managers and aggravated the crash. But even those markets where pension funds have lit-tle or no influence fell just as dramatic-

investors can consistently achieve higher returns than the stock market



which positive feedback players pre-dominated throughout. After all, most European stock markets remained depressed throughout the first nine months of the year but still fell dramat-ically in the crash, whilst the Japanese market rose to a peak in October, fell back and has almost recovered to the same level within a few months.

More fundamentally, it is unlikely that the October crash is sufficient to undermine most of the public and corporate managerial policies of recent years which have been based on some sort of faith in stock market rationality.

Even the proposal made in the Breder Even the proposal made in the Brady Commission report in the US that "circuit breakers' should be introduced to restrain dramatic price movements and, implicitly, to allow the negative feedback players to reassert themselves has been strongly challenged. At most, in October, circuit breakers might have meant that share prices fell more slowly but to their same ultimate level. Mr David Walker, tha Bank of

Moreover the crash has not negated many of the lessons of slock market efficiency; for example, that few, if any, average. The credibility of those who claim to have foreseen the crash is greatly diminished by the error of their

greatly diminished by the error of their forecasts of doom in earlier years and by the emphasis they put on Japan as the most vulnerable market.

The underlying point is that stock markets are highly effective devices in a technical sense for ensuring that share prices swiftly and effectively impound a wide renes of original sand. impound a wide range of opinions and information about companies — and there are few if any individuals of sufficient insight and perception to outguest consistently the sum of human forecasting ability that share prices

Prof Jensen, another influential efficient market theorist, fears that the crash will be seen by history to have encouraged a fundamental shift in govenment policies away from the reli-ance on free capital markets that has characterised the 1980s and towards renewed state intervention. (Indeed, of such a shift of policy in the US helped precipitate the crash.) Most observers, however, take a more relaxed view. According to Mr David Damant, of Paribes Asset Management, one of the first City practitioners to be converted to the efficient market the-ory. "I have much more difficulty in finding a rationale for such a ghastly crash than for what happened in 1974-75. But the real point is that the stock market does not have to be very efficient to be a better allocator of capi-tal than some committee in Whitehall."

Monday to Friday

#### The prisons are bursting

For the second time within a year Douglas Rurd, the British Home Secretary, was obliged to make a statement last week to

the effect that he was increasing the country's prison accommodation yet again, this time by making available a couple of army camps. On the basis of his own figures, there is every likelihood that he will be back at the despatch box after the summer to announce a further expansion.

Why? The question was best put by Bruce Grocoit, the Labour MP for The Wrekin, who saked:

"Why is it that we send more of cour citizens to prison per head of population than any other country in western Europe, yet neither our streets nor our citizens are safer as a result? Will he admit that prisons are overcrowded not as a result of people being in prison because they are committed violent crime, but because they are citizens but because they are considered with petty offenders, who are on short sentences in local prisons?"

The Home Secretary did not degraded conditions makes the

exactly run away from the problem worse.

The courts know that, but say problems, even discern the solu-tions, but refrains directly from telling the courts to stop piling up trouble for the future.

This is an oddity in the

## *OBSERVER*

the effect that he was increasing towards the end of last month—
the country's prison accommoda—an increase of 1,200 on the same

The Home Secretary did not degraded conditions makes the

#### Hollis goes free



answer back, there cannot be much to be said for British jus-One recurrent point showed naivete all round. It was suggested that because Hollis had worked for a multinational company, and one with rather a

company, and one with rather a global reach, be was unlikely to have been an agent at the time — for either side, or both. It seems to me that that is precisely where an agent might have been working, especially in those days.

It was also striking that Paul Greengrass, the man who ghosted Peter Wright's book Spycatcher and without whom the book might never have been writ-

The reason why I think that he was innocent is that it would have been in the interests of succassive British governments, who have investigated the case time and again, to have come clean if he had not been. That applies particularly to the Thatcher Administration which had noth-ing to do with the Hollis period and, in denouncing him, could have placed the blame squarely on its predec

Philby's next move Mevertheless, comething strange must be stirring in the old espionage world. For why is Kim Philby, the Soviet spy par excellence, giving interviews to the Sunday Times? So far be has revealed little that is new, but the series continues and one can-not imagine that the KGB, which must have put him up to it, will allow it to peter out without some major revelation.

End of the march WThe weathermen got it wrong again. It was not such a bad Easter after all. Yet the forecasts of rain cannot have been the only reason why so few people turned up for the the 30th annual march to Aldermaston. Perhaps it is simply that young people no longer go on pilgrimages.
It is certainly not true that there is no longer a cause, nor that the old — or rather the young - Aldermaston was with-out its successes. It did stir Har-old Macmillan into negotiating the partial test ban treaty, one of the most fundamental arms control agreements so far. It was a focus for debate - within fami-

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**AIRPORT** A MOWLEM ENTERPRISE

ADMITTEDLY one seems to have been going on for ever and the other for not very long officially. One has been consumed with sex. religion and race, plus a little plagiarism, while the other has only some intriguing comparisons between the presidential cam-paigns in the US and France.

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Both so far have been dominated by septuagenarians who have hardly said a word. President Ronald Reagan cannot constitutionally run again, but could have made his preferences known by now. However, whereas Dwight Eisenhower's Rochard Nixon of a Socialist challenge, Mr Mitter of the course, was in 1960 did not help his Vice President his country to reflect nated by septuagenarians who dent, Mr Reagan's silence has to permit his country to reflect worked to George Bush's advan-tage. This probably suits the President – being a good Repubican, he presumably wants one of his own to succeed him.

Certainly the description of the control of the contr

were never that strong Messrs Robertson, Kemp, Haig and Dupont always had limited, albeit vocal, constituencies, as - if the truth be told - did Senator Robtruth be told – did Senator Rob-ert Dole. His support seemed unseen driver – began as its more potent because it was based had appeared that a similar bat-in Weshington in Washington, a town gor-geously described by Fred Barnes of the New Republic as "increas-ingly insular, arrogant; élitist, power mad, addicted to luxury bemocrats. If Mr Mitterrand's

## Close only counts in horseshoes

recently passed the poster phase. was President Gerald Ford's runBut it is possible to start drawing ming mate, was never likely to much of a handleap is internethe scale of Harry S. Truman's Yet for both to be underdogs is travel well outside the Beltway. President François Mitter-rand's verbal reticence is demonrand's verbal refleence is demonstrated by the fact that his most memorable utterance in the campaign has been "out", just a minor variant on the "non" which Charles de Ganlle established as the norm for French bent right in 1981. on the merits or, as he perceived it, drawbacks of his rivals to the

Gertainly, the Republican
Party alternatives to Mr Bush
Thus, a critical element of the
French election is a battle for the soul of the right, a conflict which, Mr Mitterrand assumes, can only strengthen his cause. In the US, before the Bush bandand mindless political combat tactical logic were transported and, worst of all, downright hostile to the non-Washington masses." Which is to say that Mr the ideological battleground Dole in 1988, as in 1976 when he is now principally on the left.

both cases, other factors were more important in determining the outcome. Mr Mitterrand prof-ited from divisions in the incum-

When an election is not in doubt, the opposition party can include in the dubious luxury of tearing at its own vitals. The British Labour Party is familiar with this phenomenon in the 1980s, as were American Democrats in 1972 and 1984 and Republicans in 1964.

It ought to be the case that the shorter the campaign, the harder it is for the divided party (or, in France's case, parties) to recover. This is something that should

cine warfare? Incumbency can triumph over Thomas Dewey in an old state of affairs, since both help paper over cracks, but this cannot be guaranteed. The Ford-Reagan primary conflict did not help the Republicans in 1976 and tion in 1968, but in the end tell french opinion polls exceeds Mr the Democrats were harmed by short; Mr Ford almost exased the distinct of the first state of the first state of the first state of affairs, since both to be underdogs is an old state of affairs, since both their respective countries. The combined Chirac-Barre score in the Democrats were harmed by short; Mr Ford almost exased the distinct of the first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both the first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both their respective countries. The first state of affairs, since both the first state of affairs state of affairs, since both the first state of affairs state of affairs, since state of affairs state of affairs, since disaffection between the Jimmy 20 point plus lead Mr Carter resources, however, is much voted Republican in the 1984 Carter and Edward Kennedy enjoyed in the polls in 1976; but, more than an arithmetic exercise, presidential election expected to examps four years later. But, in camps four years later. But, in as Will Rogers or some philosoph- particularly when it involves Mr

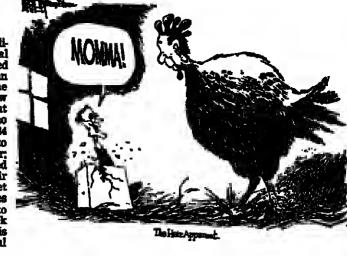




Jurek Martin compares presidential races in the US and France

Democratic strongholds, seemed significant. But good Republican results have been thin on the ground since then. A CBS-New York Times survey found that vote for a Democrat this year, and the Democrats had suffered no new defections from thair nadir four years ago. The net result was to put both parties level in national strength and to leave Mr Bush neck and neck with Governor Michael Dukakis of Massachusetts, the nominal Democratic leader.

But reconciliation in the French right and the Democratic Party is complicated by the presence on the respective fringes of Jean-Marie Le Pen and the Rev Jesse Jackson, two men with liftle in common beyond an ability to get out the vote through "the politics of resentment." Both



visceral emotions they stir np, the French right needs Mr Le cannot lay claim to comparable Pen, both for reasons of conlegitimacy.

Moreover, if not yet ready for a high. black (or hispanic) president, Americans are coming to accept racial political pluralism rather concern Mr Bush more than Mr Mitterrand. Not only does be not enjoy the advantage of personal incumbency, but also, if he continuous to say nothing for the terms does not remarked, "close only counts in horseshoes." Mr Mitterrand's victor in 1981 could be construed as an upset but, if so, is the only campaign, the country may go to sleep on him while the Democrate crass wake up to an opportunity.

But in both countries genuine than Mr Bush more than Mr Bush to many including influent countries.

Mr Jackson's appeal is much more complex and challenging for President Valéry discountries.

Mr Jackson's appeal is much more complex and challenging for he is saying things that once were and, to a degree still are more than Young, the black mayor of the is saying things that once were and, to a degree still are more than Mr Cole-were form to complex and challenging for he is saying things that once were and, to a degree still are more than Mr Bush to many including influent to many, including influent of countries.

Mr Jackson's appeal is much more than the minority common in both countries.

Mr Jackson's appeal is much more than Mr Cole-were still are more than Voyin, later of the black mayor of the b

science and for the voters he can deliver. But the price could be

There is a final curious point of transatlantic comparison. Mr Mitthan tokenism. The trouble is terrand once espoused the cause that to many, including influen- of constitutional reform to

### AS BRITAIN'S Trades Union Congress assesses its policy on strike-free deals, the question arises: in what way do they differ from conventional collective agreements? One of the hallmarks of the UK's

Serioercy. industrial relations system is that collective agreements normally lack contractual status, but their terms may be given legal effect by inclusion in the contract of employment. A nostrike clause, drafted so as to prevent the individual employee from partici-pating in industrial action, may be incorporated provided it satisfies conditions set out in section 18(4) of the Trade Union and Labour Relations

However, there is a common law principle that participation in indus-trial action normally involves an employee in a fundamental breach of contract. This helps explain why explicit no-strike clauses are rare in contracts of employment, even where there is a strike-free collective agreement. Such clauses were offered by the unions for the Government Communications Headquarters, at Cheltenham, and for News International's Wapping plant, but were rejected by the employers.

For most unions, principle is at

stake over the contractual status of collective agreements. It is presumed by section 18 of the Trade Union and Labour Relations Act that negotia-tors do not intend to create legal rela-

## Bargaining with union independence

tions. This can be rebuited only by a clear statement that the parties intend the deal, or parts of it, to be a legally enforceable contract. In prac-tice, collective agreements hardly ever contain such clauses and it has been assumed that strike-free deals

are no exception.

But this view must be modified fol-lowing the General Motors strike-free agreement for its van plant at Bed-ford, a deal which was a precondition for its joint venture with the Japa-nese company Isuzu. The agreement, which involves several unions, states that the arbitrator's award will be legally enforceable on both company and unions. This obligation on the company might assist a union at a time when market power favours employers, but the corresponding obligation on it has an important implication for the lawfulness of

Suppose a union indicates its refusal to accept an award by organising or condoning a strike. The employer would then be able to enforce the union's duty to accept the award through legal action for breach of contract. It must be emphasised, however, that under the General Motors deal such legal action would

have to be preceded by a reference to arbitration and this in turn depends

on the agreement of the parties.

The debate about strike-free agreements is bedevilled by confusing terminology, especially in respect of arbitration provisions, which are variously described as binding, compul-sory, mandatory and unilateral. When combined with extensive no-

tion Service (Acas) - the normal route - have additional consensual elements in that both the form of the arbitration and the arbitrator's terms arphranion and the arbhranor's terms of reference have to be agreed.

Turning from theory to practice, what do strike-free agreements say about references to arbhration? Some envisage unilateral or mandatory joint reference, but others – notably

approach as arbitration awards are

morally, though not legally, binding.
This distinction was recently confirmed by the High Court when rejecting the National Union of Mineworkers' assertion that the awards of the coal industry's National Refer-ence Tribunal were contractually binding (NCB v NUM (1987)), The

#### Strike-free deals in the UK: by Roy Lewis

strike clauses, they are said to destroy the right to strike. A reference to arbitration may arise in at least three ways. First, the

employer and the union may jointly choose to exercise the option of making a request (optional joint reference); second, the agreement may specify that they must jointly make a request (mandatory joint reference); third one party may have the power request (mandatory joint reference); third, one party may have the power to make a request (unilateral refer-ence). Both mandatory joint and uni-lateral reference are fundamentally consensual since they are authorised by procedural arrangements under which the parties agree in advance to go to arbitration. Referrals via the Advisory Conciliation and Arbitrain the automotive industry - provide for optional joint reference, which is characteristic of the private sector. The fact that neither mandatory joint nor unilateral reference is the norm reflects management reluctance to allow the arbitrator too much say over labour costs and employment policies, rather than union concern about giving up the right to strike. Unions might benefit from unilateral access to arbitration, which used to be common in public sector collective bargaining, until the Government dismantled it to avoid awards in excess

of cash limits. Strike-free agreements tend to describe the arbitration award as binding, but then so do many conven-

2.....

General Motors deal is exceptional in stating — in language that satisfies the NCB v NUM test — that the award is to be legally binding at the collective level, with the implications discussed above for the lawfulness of

Pendulum arbitration, requiring the arbitrator to choose between the union's last claim or the employer's last offer, is one of the hallmarks of strike-free deals. Some commentators have argued that this mode of arbi-tration is suitable for settling conflicts of interests over new terms and conditions of employment. Others have focused attention on conflicts of rights over the application and inter-pretation of existing agreements. In

fact, pendulum arbitration may cover either category of dispute. The agree-ment between Cadbury and the Transport and General Workers Union for the plant at Chirk, a fore-runner of the new strike-free deals, envisages the option of pendulum arbitration for both interests and rights disputes. It also specifies different criteria for the arbitrator, the long-term prosperity of the company and its employees in the case of inter-ests disputes, and current agreements and natural justice in the case of rights disputes.

Despite its North American antecedents, pendulum arbitration, says Acas, is similar to "straight choice" arbitration, which has a long tradition in the UK. In other words, some-thing akin to pendulum arbitration is commonly found outside strike-free agreements. But its pros and cons have been largely debated in the con-text of these deals. It is said to provida an alternative to strikes which overcomes the defects of conventional arbitration, by limiting the arbitrator's discretion, offering an incentive for settlament without resort to arbitration and encouraging closer and more reasonable positions.

But pendulum arbitration may founder over the difficulty of defining the parties' final positions. It may also be unsuitable for complex disputes involving packages of propos-als. Where the parties' final positions are unsatisfactory and yet the arbi-trator has to give total victory to one side, it may be unfair and harmful to industrial relations.

Pendulum arbitration has not prevented isolated incidents of industrial action, but that proves very little. In two of the cases culminating in a pendulum award (at Bowman Webber the award was for the union, and at Iveco Ford for the company), both the arbitrators would bave preferred a solution other than the parties' final

My experience - based on the arbitration at Iveco Ford - is that the requirement to find entirely in favour of one side's final position may make the hearing more adversarial and less of an inquiry into what the best solu-tion would be. It may seem odd to describe as adversarial a technique designed to substitute rational argument for industrial muscle, but it underlines the point that unions which enter these arrange not necessarily compromise their

The author is Professor of Law at Southampton University.

#### Ethnic mix may defy solution

From Mr P.A. Reeve.
Sir, South Africa might well welcome a cage, as proposed by Edward Mortimer (March 29), if it teed and had the effect of keeping uninvited intruders from crossing its borders.

The other type of interference of the holier-than-thou kind indulged in by the liberal conscience is more difficult to deal with, but it becomes increasingly apparent that others will pay the price of it in blood.

The complex ethnic situation in South Africa defies any sim-plistic political solution. That is tragedy. The position of Mr Mortimer and those who think like him would be morally tenable if they would indicate clearly the end they have in mind by using their means. On what national system would it be modelled? The United Kingdom? India? The USSR? The US? Uganda? All are flawed, but let Mr Mortimer be positive and constructive and come up with an answer which will satisfy the ethnic groups concerned, and assuage their fears of worse than extinction.

What is remarkable is that against the background of a bru-tal continent, there are so many people in South Africa - of all races - of high intelligence and civilised thought and conduct. This must offer hope, but how to build on it? Perhaps the churches should offer prayers for the salva-tion of the Afrikaners to calm their fears, and the rest of us should help to fund the South African infra-structure, with par-ticular emphasis on education

P.A. Reeve North Green, Keisale,

and housing for the less well-off. As in 1832, political representa-tion will follow, and probably much quicker than one might think.

### Letters to the Editor

#### US banking system is vulnerable

From Mr Robin Munn-Danies Sir, In your leader ("Cost of bank ball-outs," March 25) you accuse Washington of insouci-ance and argue that the world would be better served if large banks were allowed to fail, with big depositors suffering los You may be right. But I doubt it - and your own leader could be accused of a similar insouciance because it ignores the consequences of the policy it suggests.
The US banking system is currently in a weak position. The reasons for this are well known.
They include the problems of certain depressed regions such as tha oil producing states. The United States, with its system of regional banks, is particularly vulnerable to such regional downturns, as banks find it hard

A further reason is the slow-

## In consequence of this, in the banking industry we have two

important support operations in progress, while the health of many large US banks is in doubt. If the US authorities were to fol-low your advice and let it be known that major depositors were likely to lose money if they kept their funds in a bank which failed, there would be a run on the deposits of several big US banks in a very short time. Of course, such a run could be dealt with by liquidity support from both the Federal reserve and, possibly, other banks, but such an exercise would certainly have heavy costs both politically and economically. Your solution - allowing a few important banks to fail - would

certainly punish some depositors. However, the scale of the damage to build up diversified loan portthat would be done is out of all ness of bank management - and proportion to any benefit that here the regulators were at fault might be gained. as well - to set up reserves for Robin Munro lending to less developed countries (LDCs). Other reasons must Eldon House,

include, in certain cases, poor 2 Eldon Street, EC2

#### Member states might not behave perfectly

From Mr Chris Sowden. In The need for a European bined fiscal stance of the various currency" (March 24), Samuel Thus a government pursuing a balanced budget policy might have the beneficial interest rate Brittan seems to ignore the effects of fiscal policy.

Unless one assumes perfect have the beneficial interest rate capital mobility between countries, it is fair to say that a countries, it is fair to say that a countries, it is fair to say that a countries.

try's interest rates are deter-mined by a combination of its Chris Sowden government's fiscal and mone-tary policy. With a joint cur-rency, interest rates would Holmbury St Mary, depend on the central banks' Dorking, Surrey

tion does not lie solely in a prof-

#### Just blew in from the Windy City..?

From Mr R.F.I. Spier.
Sir, is the Post Office deliberately down-grading the first class post at 18p per letter to promote Data-posting at £11 per letter—inspired, no doubt, by the Al Capone School of Marketing? R.F.J. Spier, The Barn, High Street North,

#### Tensions in Northern Ireland

From Miss M. Ogdon.
Sir, The Financial Times published a major article (February 20) on the subject of Northern Ireland and the Anglo-Irish

Agreement.
The language and tone of the article seemed chosen to aggravate the distrust and fear of the peopla of Northarn Ireland towards each other. Confronts tional terms were used to label the Northern Ireland people and people in the Republic of Ireland The normal situation was stated to be one of bigotry and fearful ignorance of one religion against another. John Lloyd seemed to me to be suggesting that the Government's aim, in continuing the Anglo-Irish Agreement, was the manoeuvering of one religious group into subjec-tion under an unacceptable Cath-

olic country.

The article could be construed The article could be construed as an attempt to heighten tendom and misunderstanding in Northern Ireland and the Republic of Ireland. Increase of fear, citizen against citizen, will not help the hopes of this Government (and any other) for peaceful co-existence of all citizens of Northern Ireland.

M. Ogdon, 95 Whitehart,

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#### The 'contingency fee' legal system has its darker side

From Mr F.S.R. Johnson.

Sir, The contingency fee legal system so enthusiastically endoreed by Mr Robinson (Letters, March 24) has its darker

In the United States under this

The medical profession suffers
system a positive industry has

particularly in these circumgrown up, in which lawyers stances — and ultimately, of encourage their clients to make absurd claims for compensation in circumstances which are not of parts of Mr Robinson's letter; reasonable by normal standards. This forces the insurance industry to raise premiums to prohibitive levels, or even to decline to underwrite the risk at all in

It also causes insurers to write From Mr Richard Sheehan their policies in such restrictive

terms as not to provide the security - essential for professional organisations if they are to operate freely and effectively but on present evidence the solu-

it-related litigation system. Frank Johnson,

monetary policy and on the com-

John Fleming (FT, March 11) speaks aloquently of the sup-posed benefits of the "contingent iee" system. There are undoubted benefits for the plaintiff bar. However, anyone connected with the Hability insurance business and other public spirited lawyers in the US will tell you that "the considering the "Opren" case, ambulance-chasing attorney has that there is a way for those pul done more to harm the public at lic spirited lawyers to show that

Under English law the basic Richard Sheehan

accept that if he falls to prove his case he may have to pay the defendant's costs is a protection to citizens who may be unfortunate enough to be dragged into a lawsuit through no fault of their

Has it occurred to Mr Fleming large, by forcing unmeritorious settlements ultimately leading to expensive insurance – when insurance is not withdrawn also-

responsibility of a plaintiff to 50 Cadogan Gardens, SW1

## **FINANCIAL TIMES**

Tuesday April 5 1988

#### ANXIR

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Janet Bush on Wall Street

#### **Breaking** the market circuit

any legislative initiative were unsatisfactory. However, he said he would

never support the bill unveiled last Thursday by the Senate Banking Committee which would set np a superagency consisting of the US Federal Reserve, the SEC and the Commodity Futures Trading Commission.

"I do not believe that a majority vote or a chairman's prerogative to vote in a superagency makes any sense at all. If Congress wants to restructure the regulatory system in the US and I mean a dramatic restruct-uring – it must do so in a much more deliberate manner than any of these bills have suggested." Mr Ruder said the sort of fundamantal change to the regula-tory structure envisaged in the Senate's Intermarket bill was

late stock index futures.

ANC theory by calling the South terrand has been able to make African ambassador to the Flysee his views felt since the Socialists of progress so far in discussions Palace and asking for an explanalost control of Parliament in the with other regulators and with self-regulatory organisations and described his thinking on margin

requirements and circuit break-

Margin increases already announced by futures markets in dential elections, is considered to Jackson by 43 per cent to 35 per ers who believe that were the candidate for November, his left candidate for November, his left

increases would not be reversed without first consulting the SEC. He said the disagreements on margins were clear and the regu-lators should now go on to another area and see if they

could reach agreement on that. The next most important step was to try to reach agreement on co-ordinating circuit breakers – trading halts at times of extreme market volatility. He said he would now be stepping up pres-sure on exchanges to formulate these mechanisms.

He described how he envisaged circuit breakers working. Pre-es tablished levels had to be agreed on the point at which markets might close for a short time. He suggested, for example, that

the New York Stock Exchange could be shut down if the Dow Jones Industrial Average were to fail by 120 points, translating roughly to the 15 point drop in the S & P 500 index future set as a price limit in Chicago. The exchanges would then immediately put into effect order imbal-ance procedures followed swiftly hy reopening procedures.

Mr Ruder envisaged the NYSE

closing for perhaps half an hour to an hour. The question of how long exchanges should close under emergency procedures is up for grabs. Mr Ruder suggested that, whereas futures markets traditionally closed for the day if contracts went limit up or down, this could be more flexible. For example, if the futures market closed and cash stocks rebounded, futures could be

"I see no reason why those matters cannot be dealt with now. I think it is time for both the self-regulatory organisations and the agencies to move now more quickly on this."

Some general principles had been agreed with the CFTC in private conversations. The two

agencies had agreed that efficient markets were of paramount importance - but there was such of volatility and some controls were necessary to prevent

This was the aim of circuit breakers. The motivation behind raising margins was to attempt to reduce expectations of liquidity. "What frightens everyone is that there may still be lurking out there some institutions who believe they can exit the market before anyone else and it doesn't take very many \$10bn portfolios thinking they can exit the market before everyone else before there is another big market

## Afghan talks may be near collapse

that both the Soviet Union and the US are preparing for a break-down in the UN-sponsored negotiations on Afghanistan, with Moscow planning a partial withdrawal of its occupation force in a bilateral arrangement with the bilateral arrangement with the

"I AM CONCERNED about it (the drive in Congress for post-crash legislation) interfering with the process. That's all, however. I share a growing sense of needing to have something done. The difficulty is in meeting Congressional concerns that things be done now."

Mr David Ruder, chairman of the Securities & Exchange Commission, said in an interview in Washington he would not hesitate in asking for legislation if no programme were to emerge from the working party set up by President Reagan or if he thought any legislative initiative were unsatisfactory.

However, he said he would not hesitate in the source of the initiative were nearing from the working party set up by President Reagan or if he thought any legislative initiative were nussifisfactory.

However, he said he would not hear to state the source of the same time as Washington supplies to the Kabul Government. The US, on the other hand, has supplies to the Kabul Government. The US on the other hand, has supplies to the Kabul Government. The US on the other hand, has supplies to the Kabul Government without an understant the soviet Union supplies to the Kabul Government. The US on the other hand, has supplies to the Kabul Government. The US on the other hand, has supplies to the Kabul Government at the same time as Washington steps supplying the muja-hideen.

Acceptance of the new proposal by Moscow and Kabul could pave the way for the signature of an international with come of action." In the event of failure of an international with the Soviet Union would content to "discuss various options of action of the same time as Washington suggest that Moscow for the unilateral strangement without an understant the sories time as the Soviet Union would content to "discuss reproductive of an international with the Soviet of an international with the Soviet Union of the same time of action of acti



The idea was introduced as an alternative to the US demand, floated only last December and since hardened, that there should supplies to the Kabul Government at the same time as Washington stops supplying the mujahideen.

Assured Takistan or withdraw without supplies to the Kabul Government at the same time as Washington stops supplying the mujaagreement without an agreement without an agreement.

Afghan army of the Kabul Gov- Soviet Union says it will not accept the US as a guarantor if it continues arming the rebels. Mr Shevardnadze said last week that Moscow could sign a separate peace accord with Afghanistan and Pakistan or withdraw with-

One of the more puzzling traits of post-crash investors is their continued attachment to works of art. This is despite the fact that art has no intrinsic value ibat art has no intrinsic value whatsoever, and pays out nothing while being held. Last week's 77 per cent rise in Christies' profits was the clearest sign so far that the "wealth effect", which by now should have brought hard times to Old Bond Street, is simply not taking hold.

Fine Art

On any ordinary investment criterion art prices might appear dangerously high. Art has enjoyed e continuous bull market since the 1950s, interrupted hy the occasional pause rather than any major reversal. While aver-age prices have been accelerating recently - last year Sotheby's Art Index was up by 26 per cent -signs of strain are already emerging at the lower end of the mar-ket. Van Gogh's Irises might fetch over \$50m, but prices of sec-and class pictures are lower than before the crash and more paintings are falling to find buyers. As Morgan Stanley warned recently, this sort of "two tier" market bears an ominous resemblance to the division in the stock market that emerged just before the

However, to argue by analogy with other markets may be a grave inistate. In one sense, art is not an investment at all, in that prices are chiefly determined not by the rise and fall in specu-

# The Tokyo stock market may well be firting with its all-time highs but Landon is far more nervous. Having fallen by 6 per cent over the past fortnight, it is entering dangerous territory in the eyes of the chartists, at least. In the short term, Wall Street's reaction to the more buoyant news about the US economy and any sign that the dollar is set to test its early January low of 120 yen could determine whether the FT-SE 100 is simply at the bottom end of its current trading range.

THE LEX COLUMN

**Artistic values** 

under attack

1978 80 82 84 86 88 easy to verify, and there are lots of them. However, even here the top of the market is controlled by as few as two dozen investors, of as few as two dozen investors, of whom the highest payers are Japanese. It would take only a shift in fashions in Japanese board rooms away from decorative pictures of water lilies and irises to make the doubling in Impressionist prices in the past two years look aadly ill-advised.

if one could assume that the money would continue to pour into the market, showing little consistency in its choice of paintings, it might be better to buy shares in Christies — or in Sotheby's when it returns to the market. eby's when it returns to the mar-ket — rather than dabble in art directly. Christies' share price, which has proved a geared indi-cator of the art market as a whole, has ontperformed the stock market threefold over the past 10 years. But that in itself must be a warning sign; and even about large balance about the expepast 10 years. But that in itself must be a warning sign; and even those who have lost belief in the wealth effect may still cling to a belief in gravity.

#### Accepting houses

It is more than five years since not by the rise and fall in speculative demand, but by the prices
which galleries and collectors are
prepared to pay for ownership.
Moreover, the market is highly segmented, with each school of
painting dominated by a tiny
handful of collectors. This makes
the price of any individual painting difficult — if not impossible
either to predict or assess. paintings are well known, pretty, house mystique still lingers on.

However, with new groups, such as BZW, emerging as powerful rivals, there must be a limit as to how long this can persist. The advantages of being a small merchant bank in the City of London are not what they used to be. The advent of Big Bang has be. The advent of Big Bang has put a premium on capital adequacy and helps to explain the last year's rights issues from S.G.Warburg and Kleinwort Benson and the TSB's takeover of Hill Samuel. Admittedly, groups such as Schroders and Hambros, which do not believe that it is necessary to invest in capital-intensive equity market-making operations to protect their corporate finance husiness. have rate finance husiness, have avoided the heavy losses of last October's stock market crash, but competition is proving to be fier-cer than many had imagined in

other parts of their business.
In the gittedged market, for example, the number of market-makers has remained surprisingly high with the result that there seems little prospect of an early improvement in margins. And the speed with which the UK has embraced a balanced budget means that the supply of new government stock issues is evaporating at a time when major Japanese firms are poised to enter the market, Of course, the decline in the importance of the gilt-edged market should be off-

about large balance sheet expo-sures are threatening to hurt the traditional underwriting operations of the smaller capital-ised merchant banks. The Bank has made the concession of allowing expert underwriters - which presumably includes most of the members of the old AHC - to the Bank of England killed off have bigger underwriting expo-the specialist role of the accept sures than so-called non-experts, ing houses by adding all sorts of Nevertheless, its rules seem foreign names to its list of banks tougher than those of The Securi-Accepting Houses Committee new competitors such as Gold-(AHC), which at one time repreman Sachs and First Boston, and unless they are relaxed, it is not inconceivable that one day some accepting houses might be forced to do the unthinkable and sever their final link with the Bank of England by handing in their banking licences. This would even though the club has now banking licences. This would been dishanded, brokers CL-Alex-involve sacrificing the implicit Only for Impressionist works anders Laing & Cruickshank's support of the Benk in time of does any sort of liquid market latest annual review of the sector crisis, but these days even the exist demand is plentiful as the is evidence that the accepting extension of this privilege is in

## Mitterrand speaks out on ANC murder

BY GEORGE GRAHAM IN PARIS

THE MURDER last week in Paris
of the representative of the Afrithe murder made the question of can National Congress has economic sanctions against become an issue in the French South Africa "still more hurn-presidential election, the first ing."

Tound of which takes place in a Mr Robert Pandrand, security

ernment, but Mr Pik Botha, the attituda.

fortnight. minister in the right-wing Gov-Miss Dulcie September was ernment of Mr Jacques Chirac, shot six times with a 22 rifle on meanwhile showed an early practice on the control of the contr

tory structure envisaged in the Senate's Intermarket bill was quite different from the question of changing the jurisdiction over derivative index products. The SEC argues that it should regulate stock index futures.

Mr Ruder gave some indication of progress so far in discussions.

The two year cohabitation between the left-of-centre Presi-dent and the right-wing Govern-ment has been marked by a com-mon view on foreign policy, but South Africa has been one area where Mr Mitterrand has sought Mr Chirac. The previous Socialist Govern-

ment of Mr Laurent Fahins had taken a tougher line on sanctions, banning new French investment in South Africa and reducing imports by the state energy companies of coal from South Africa, once France's largest statement.

Mr Mitterrand, while speaking at the weekend in favour of sanc-tions against South Africa, ruled out breaking off diplomatic rela-



Mitterrand: foreign policy struggle

### Dukakis needs convincing win in Wisconsin primary

ber market collapse.

Even though this compares with the 20 per cent to 25 per cent to 25 per cent range suggested by the SEC. Mr Ruder said the move to 13 per cent was beneficial. The number of a majority of delegates when and cancuses this year and would expressing growing anxiety about the colorado caucuses which were is not nearly as important as the primaries are over in June.

He said he had asked the CFTC consin are not entirely reassurfor, and had not yet received, assurances that those margin increases would not be reversed without first consulting the SEC.

It would also set the alarm adding: "If you did everything he weekend showed him leading Mr offices of those Democratic lead-

threat that Republican voters, urged on by local party leaders, will stray into the Democratic Colorado caucuses which were taking place last night and which might have an influence on the voting in Wisconsin if it were

reported quickly enough to affect

crash.

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## Economic gospel according to Jackson

and local pundits have clearly been surprised to find what a hig constituency Mr Jackson is able to reach. It is easy to forget that, despite six years of consumption-led expansion, and a continuous rise in employment, the Reagan regime has produced a lot of losers. There is a vivid word in the official statistics for the hardest cases: those who no longer bother even to register for work are known simply as the discouraged; and there are more than a million of them; and they are nearly all black. Mr Jackson's message poten-tially reaches much further. It is addressed to almost any wage-earner (real hourly pay has not increased for 11 years), and especially to manual workers, whose skills are now at a discount. Low income tenants, first-time house buyers, and whole regions which have remained untouched by the boom, warm to a candidate who takes their problems seri-

sage for the prosperous. A majority of Americans, according to the polls, now suspect that the Reagan prosperity is hollow and will not last. An odd illustration of this unease is the astonishing success of a big exhibition in New York of works by Fragonard, who painted on the eve of the French revolution. A fashionable theory is that these visions of sensuous indulgence on the eve of a revolution

World Weather

speak very directly to the yup-

They are not going to vote for Mr Jackson, but he is now getting some solid support from America's rather middle-class trade unious. The Union of Auta Washors for compile. of Auto Workers, for example, is spending heavily on some persuasive commercials: showing a caring blue-collar father musing about the need for better training, a policy to sup-port investment and to per-suade American companies to make American companies to make their products in the US. The unions are carrently obsessed with job security. Despite the industrial revival, their members are still losing jobs to machines, to satellite plants in Latin America, and to takeovers and buy-outs. The penalties are far harsher in the US than in Europe: there is no

redundancy pay (a notion too radical for Mr Jackson) and welfare support is minimal. The unions have tried to resist the takeover wave by taking shares in threatened companies instead of wage companies instead of wage increases. But share ownership has not turned them into the popular capitalists of "New Right" mythology. The financial market is widely blamed for the short-sightedness of American markets. American management, so that Mr Dukakis as well as Mr Jackson makes threatening noises. Voters do not feel personally threatened: after the October crash, most of them sold out and stayed out. Here

as elsewhere Mr Jackson

seems not so much more radi-cal then his rival as more andi-None of this means that he

None of this means that he now speaks for a majority, or is likely to; but it does help to explain why his supporters are so enthusiastic, and why the silent majority has been so quiet. Nobody ontside the Administration seems very keen on defending its economic achievements. All Democrats, of course, are keen in ocrats, of course, are keen to attack them, but Mr Jackson is much better at it than anyone

"Fiscal drunk driving" was fir Stritz's three-word sum-mary of Reaganomics. (It is hard to know how far he supplies the metsphors, and how many are borrowed from Mr

many are borrowed from Mr Jackson.) "You stamp on the accelerator, and then Jam on the brakes, and whole communities fall off the back of the truck." It is time to get back to Mr Jackson's economic muse. What has he to offer, apart from an apparently endless supply of vivid metaphors?

"Justice," "proportionality" and "ending economic violence" are the slogans. What they mean in practice, domestically at least, would be regarded in Europe as a very modest programme to help working people cope with change, mainly through retraining. More public housing is proposed to help workers to leave depressed areas. "Proportionality" simply means that the programme means that the programme should match the problem, which is indeed a large one: a backward worker stands a bet-ter chance of becoming literate

and numerate in just them in the working world, and some-times a better chance of shel-ter too.

The fiscal programme is pretty mild. The casy to get

out of a hind alley — you go out the way you come in," says Mr Steitz, brushing aside the deficit problem. This means cutting the defence budget: the catting the accence-banger; the next Administration will surely do this, regardless of party, for the programme is full of duplication, association and waste. All that makes Mr ann waste. All that makes mr
Jackson different is that he
says so. It also means taking
back some of the Reagan tax
cuts, but the punitive top rate
lir Jackson proposes is actually 1.5 per cent lower than the
new British top rate.

The radical populist only emerges when Mr Jackson talks about corporations – by which he really seems to mean the multi-nationals. Even here, though, his bark seems worse than his bits. He talks of economic violence, but proposes tax incentives as the main enve. The most sinister ties on tax incentives as the main cure. The most sinister item on the menu is a threat to treat trade union freedom in other countries as a test of fair trading practice which could clearly cause endless international trouble if it was applied aggressively. In the Jackson context, though, it sounds mure like rietoric.

It may be warped European vision but to this observer Mr Jackson's constituency seems much more significant than his programme. It is a sign of President Reagan's political success that Mr Jackson's modest proposals should be regarded as dangerously radi-cal; the failure of Reaganomics is shown by the fact that Mr. Jackson's supporters are so much more enthusiastic than those of any other candidate.

The yuppies crowding in to enjoy Fragonard's preity deca-dence before it is too late may just possibly be sensing some-thing real.

### European chips plan

Continued from Page 1

Philips has declined to comment on the Jessi negotiations. However, there are indications that, while valuing its close links with Siemens, it is less hostile than the West German company appears to be towards including scales. Thomson as a full member of the project.

The French side says the two other companies have not expressed reservations about SGS-Thomson's role in face-to-face negotiations. However, efforts to get them to elarify their positions are said in Paris to have made little progress.



## SECTION II - COMPANIES AND MARKETS FINANCIALTIMES

Tuesday April 5 1988



**INTERNATIONAL BONDS** 

## Billion dollar question looms after a spell of bright weather

TOP TEN EUROBOND

"AT THE end of last year the least it might as well rain until was trading at three full points market was fearing a nuclear September. below that in the grey market. market was fearing a nuclear winter, what happened was an Indian spring," said one syndi-

The stabilisation of the dollar apparently gave the lie to the doomsters who had seen last October's stock market crash as the last body-blow to Eurobond firms: the purely fixed interest side of their business had long sickened and now their profitable equity-related business was being taken away from them.

But instead January and February found new issues desks busily launching fixed-rate Euroously faunching fixed-rate Eurodollar bonds for sale to investors of this year generated enough aged a single bond while no profits for Eurobond departoum in the dollar-denominated parts of their portfolios. It was just like the good old days.

Or was it? The billion dollar remarked last week: "Personally, test is whether the US currency I have never been able to see hoof the first three months man Sachs have hardly lead-manissnes may have been more talked about than real. Union bouse, these days, would admit ments, which notoriously accuto accepting a co-management position purely for relationship issnes may have been more talked about than real. Union bank of Switzerland (Securities), to accepting a co-management position purely for relationship issnes may have been more talked about than real. Union bank of Switzerland (Securities), to accepting a co-management position purely for relationship heald the full amount of undervertical transfer of this year generated enough aged a single bond while no accepting a co-management position purely for relationship heald the full amount of undervertical transfer of their year generated enough aged a single bond while no accepting a co-management position purely for relationship heald the full amount of undervertical transfer of their year generated enough aged a single bond while no accepting a co-management position purely for relationship heald the full amount of undervertical transfer of their year generated enough aged a single bond while no accepting a co-management position purely for relationship heald the full amount of undervertical transfer of their year generated enough aged a single bond while no accepting a co-management position purely for relationship heald the full amount of undervertical transfer of their year generated enough aged a single bond while no accepting a co-management position purely for relationship heald the full amount of undervertical transfer of their year and year accepting a co-management position purely for re will plummet now that the start

of a new fiscal year in Japan has . removed the need to support it. The rot set in a long time ago -for accounting reasons. If, as once investors woke up to the some fear, the dollar hits Y110, fact that there was no reason for International in February.

Already by the end of March.

long time ago. Last week saw the reappear-Last week saw the reappearance of the two-year Eurobond - been much talk of a "new reala \$100m deal for Toronto-Domin- ism" in the approach to pricing

even the comparatively brisk Brothers International and Gold-business of the first three months man Sachs have hardly lead-man-

you could make any money out of the Eurobond market per se." then in the Eurodollar sector at them to buy a bond at par if it

After that, houses involved in the early days of the year when new issues business, by and Merrill Lynch Capital Markets large, had to attempt to make up cate manager last week, looking Merrill Lynch Capital Markets large, nau to attempt to the cate manager last week, looking Merrill Lynch Capital Markets large, nau to attempt on the related swap, and other first quarter in the Eurobond demand to launch a \$350m 10 services that could be provided to the horrower, the money that had

ion Bank. So short-dated an bonds. Eurobond houses have instrument, designed to appeal to been careful to match new issues investors retreating down the to investor demand, both in yield curve for defensive purposes, was unknown to the market during its great bull phase.

Moreover, it is unlikely that houses such as Salomon even the comparatively brisk.

LEAD MANAGERS 10.7 3.63 3.21 1.56

has been achieved on other issnes may have been more Burobond houses would offer bor-enough money on supporting an rowers almost any terms just to obtain a mandate. This was a grey market.

\$250m deal for General Electric These issues may have been Capital Corporation led by LTCB unusually badly priced, but nev-However, the placement that how many other bonds that have be imposed on West German

Eurobond new issue volume picked up substantially in the first quarter of 1988 from the depressed levels of late last year, though the \$44bn total was below the \$49bu in the 1987 first quarter. Deutsche Bank, Union Bank of Switzer-land, Merrill Lynch, S.G. Warburg and Bankers Trust all improved their 1987 rankings as a whole. Nikko Securities, Morgan Stanley and Salomon Brothers slipped sharply. The performances reflected some large Eurodollar issues for sovereign borrowers.

been vaunted as well-priced and well-placed have in reality ended up on underwriters' books. Certainly, a great many of the Eurodollar deals issued while the dollar was on the rise at the beginning of tha year are believed to have passed to Middle Eastern trading accounts, which quickly sold bonds back into the market after taking a small turn. It seems clear, however, that Continental interest in Eurobonds has picked up. The expec-tation that withholding tax will

Retail European buyers have reportedly been steady buyers of bonds in the higher-yielding currencies, such as Canadian dollars and sterling. But this does not sovereign borrowers who want to necessarily mean that houses with wide retail outlets are enjoying fat profits. Indeed, they complain their margins are being ing tha first two months squeezed as more and more com- Norway. titors chase a finite number of retail accounts.

The key element which has been missing is large-scale Japa-nese involvement. This has been indicated by the fact that the Japanese securities houses have launched very few straight fixed rate honds, mainly confining themselves to the bread-and-hut-ter business of launching equity warrants bonds for Japanese bor-

Even if the majority of bonds launched so far this year have proved palatable to investors, the market has still had to wrestle with the problem that most bor-rowers' target cost of funds has

year is one factor currently ing the bond issue they often nnderpinning Continental written a cheque on the underly-

ing swap.

A further problem that the launch the kind of sizeable, liq-uid, high quality deals that inves-tors like tapped the market dur-

For most US corporates the cost of borrowing in Europe is still not competitive with terms available in the US domestic bond market. Only those compa nies with borrowing needs great that they cannot afford to stand askance from the Eurobond market, such as General Motors Acceptance Corporation, have been borrowing in size.

The Eurobond market may

have emerged from the last year or so a far leaner, fitter and cau-tious place than it used to be. But participants agree that overheads built up over the last few years are still too high for the amount of business there is to go round.

Clare Pearson

## Doing nothing to overcome a wall of market scepticism

dollar-denominated securities. Euro medium-term notes, with estimated outstandings of \$2.6bn, it was time "to educate investors their c

about the advantages of the market" – the market emplemism for Nothing Doing.

Indeed, dealers who daily have example, is emphasising tha to cope with the task of selling these notes admit there is still a senior management of its London Gitcorp has never been strong wall of investor scepticism to securities division. Mr Len Har in the distribution of Eurobonds. overcome before the market

sell the notes back, once bought, and about the longevity of the

product in a reorganisation of Euro-MTNs.

with issuers.

"We believe Euro-MTNs will arket. take a growing share of business Dealing firms are stressing from the Eurobond market," Mr their commitment to MTNs, Harwood said. One of its stated describing the market as An Idea whose Time Has Come.

Harwood said. One of its stated aims is to build on its leading position in the Eurocommercial share in the emerging market in

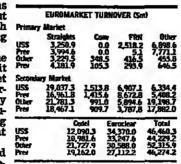
wood, formerly responsible for so such a view is predictable. Yet where notes of longer than one year in maturity are offered on a continuous basis — can take off as it has in the US.

Despite the flexibility in one-time head of loan syndication to its slow growth.

THE DOLLAR'S instability choosing amounts and exact in London, will head product through much of last week was sufficient to scare off international investors from most US doubtful about their ability to net origination and relations suggests this is the wrong Clearly, most regard it as -

if investors worry about the liquidity of the MTNs, does it make sense for money market teams - with no secondary mar-ket experience and contact only with investors with a short maturity horizon - to be distributing these securities, as they do at The suggestion is that it would be better for MTNs to be distrib-uted by bond teams which have

regular contact with longer-term investors and are used to making secondary markets, Such an approach is being taken by Salomon Brothers, for



example, although it is left with little alternative after its decision last year to close down all its money market operations.

those other firms recently converted to "functional management," would say the point is irrelevant, reminiscent of discussions at a greengrocer's shop or vegetable. If an investor wants a three-year piece of paper, what does he care whether it's a Euro-

bond or an MTN? In the syndicated loans market, JP Morgan headed the first quarter lead managers' table compiled by Euromoney, arranging \$16.75bn in financings, Bankers Trust was second with \$12.56bn and Citicorp third with \$9.29bn.
Last week, a \$640m six-month bridge financing for Elders IXL of Australia, the Australian brewer.

The most fashionable school, was signed. The loan, led by Citinow espoused by Citicorp and all corp and provided by it and seven other banks, repres remaining portion of finance for its takeover of Courage, the UK

about a tomato's status as a fruit is likely to be a medium-term or vegetable. If an investor wants syndicated financing, possibly off balance sheet and possibly secured to the Courage pubs.

In sterling commercial paper, Midland Montagu Commercial Paper arranged a £75m pro-gramme for Laura Ashley, the UK clothing and furnishings group, with Barclays de Zoete Wedd and Kleinwort Benson also acting as dealers. There is a US

Stephen Fidler

#### **Eridania** shows small advance to L43bn

By Alan Friedman in Milan

ERIDANIA SpA, the Ferruzzi group's holding vehicle for its sugar and other agroindustrial interests, reported a nearly unchanged net profit for 1987 of L43.3bn (\$35m) against L42.5bn in 1986. The parent company's turnover was L790.1bn, up slightly on L766.7bn.

The figures do not include results from Beghin-Say, the French sugar group which is 52 per cent owned by Eridania.

Eridania said that taking into consideration all of its agro-industrial holdings on an aggregate group basis it expec-ted to achieve 1988 turnover of

This is nearly three times the 1986 level because of acquisitions made in 1987, including the European corn including the European corn starch operations of CPC, the Lesieur foods group in France, Central Soya, the US soybean concern, and others.

The Ferruzzi group, includ-ing its agro-industrial inter-ests, is expected to have a 1988 total turnover of around 1.14 000hm.

• Snia Bpd, the defence and specialised engineering company controlled by the Flat group, has reported a sharp fall in consolidated net profits in 1987, writes John Wyles in

With turnover virtually with turnover virtually static at L2,431bn, net profits fell from L68bn in 1986 to L30.5bn last year. Operating profits fell slightly from L132.8bn to L131.1bn.

The company says that the year was a poor one for its defence and space equipment activities, but fibres, chemical and bio-engineering all regis-tered an increase in operating

Net debt fell 26 per cent to L406.8bn with the result that debt repayments fell from 4.2 to 2.8 per cent of turnover.

4.7.1.20

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MORGAN GUARANTY TRUST COMPANY OF NEW YORK

March 1988

This announcement appears as a matter of record only:

**UK GILTS** 

### **Doubts persist on** exchange policy

what government policy is on the exchange rate since the Bank of England un-capped sterling three aks ago. It is easier now to do

Bank Governor, appeared before the Commons Treasury and Civil Service Committee on Monday. The key point he made was that fighting inflation was the Government's prime aim. On Tuesday the Prime Minister answered a Commons question on her rela-tionship with Mr Lawson. They were both agreed that fighting inflation was the key objective of

On Wednesday the Chancellor appeared before the committee. He said inflation was the Govern-ment's main concern and that policy would be directed at fighting the battle against it.

Although politicians, along with journalists, are not the most believed members of society, there is a case for perhaps taking the pronouncements by the most enior ministers and government officials seriously. If anyone is in any doubt over the Government's inflation objective, then they should perhaps think again.

Mr Lawson made great play of the fact that sterling had depreciated from an average rate of DM4.56 in 1981 to an average rate of DM2.94 last year. This was costly in terms of the fight against inflation and had had to be made good by higher interest rates. But it had also had another consequence: industry had become conditioned to believing it could base its costs on a depre-

That situation ended on March 7 after the Government agreed that the defence of DM3.00 was no longer possible. Policy finally seems to have coalesced on March 25 when Mr Leigh-Pemberton, Mr Lawson and Mrs
Thatcher met for lunch at No 10,
At this meeting much was made
of the trend in the £/DM rate

referred to above. The Government appears to be looking ahead to when the British economy begins to slow down. With earnings growth averaging about 8 per cent since 1963 and no sign of moderation, and the expectation that when

FOR NEARLY two hours last of growth in productivity will week Mr Nigel Lawson, the Chancellor, was grilled by MPs on his exchange rate and monetary policy. It has been hard to divine in the gross domestic product the prospective of the productivity will be productively will in the gross domestic product deflator, the best measure of domestic inflationary trends, of about 4 per cent to 5 per cent. Policy seems designed to

ensure that a breakout in inflation when the economy begins to slow does not occur, although policy is not expected to be any-where near as tight as 1980-81. It is tackling the expected problem in advance, while at the same time attempting to work on expectations.

Now that the aim is clear, what are the tactics? It is probably true that the Government has in mind a range for sterling against the D-Mark, but it is probably untrue that the market has identified the trumpest and of it. topmost end of it.

The cut in interest rates after the Budget was not designed to stop sterling's rise but to slow it. As the events of Thursday showed DM3.10 is not the top of the range and the Bank's inter-vention was of the smoothing

Variety.

In any event it is possibly fruitless to talk of a ceiling when the
authorities would, all other
things being equal, be happier
with slightly higher interest rates
and a slightly lower exchange
rate. That, it is admitted, is not
possible at present. No one can
buck the market in its current
phase.

The authorities hope that sooner or later an equilibrium will be reached. Demand for the pound will work through to lower money market and gilt yields and sterling's rise will be

that the idea of exchange rate stability should be viewed. It could be argued that a fall in the S/DM exchange rate from 1981 to 1987 was not stability — it was after all consistently falling -and that the equilibrium the Govenment now seems to hope for might in fact be what it means by stability, and at a higher average rate than last year.

The extent to which the Gov-enment is prepared to operate a **US MONEY AND CREDIT** 

## Economic recovery sends bonds reeling

way back in August 1974. Worse for the bond market but

better for people seeking work, ing over currency and bond mar-February's spectacular figure of kets is the attitude of Japanese 531,000 new jobs, widely consid-ered a gross over-statement at denominated securities. The start the time, was revised only of their new fiscal year on April 1 slightly to 517,000. February's 0.9 per cent rise in

LAST FRIDAY was hardly a relaxing holiday for US hond investors and dealers. Frustrated by the markets' day off, they had to absorb the latest evidence of brisk economic activity without a chance to work off their anxieties with a burst of trading.

Yesterday's delayed reaction to another surge in job creation has complicated the life of the pushed down bond prices by more than a point in early trading, even though the dollar temporarily shook off its weak ways looked as though the economy of recent days. The yield of the Treasury's benchmark 30-year bond, already close to its highest levels since early January, will soon be bumping up against 9 per cent, many analysts believe.

Considering the US economy was still on the sick-list only eight weeks ago, it has staged a remarkable recovery. Some cant, many analysts believe.

Considering the US economy was still on the sick-list only eight weeks ago, it has staged a remarkable recovery. Some 262,000 jobs were created last month, tens of thousands more than expected and enough to drive the unemployment rate down to 5.6 per cent. It is the lowest level in nearly nine years, which in turn matched the rate way back in Angust 1974.

Worse for the bond market but

ues to deteriorate.

A huge unknown factor hanging over currency and bond markets is the attitude of Japanese investors towards US dollar ned a fresh foreign exchan and investment score-card for

February's 0.9 per cent rise in the index of leading economic them and it will take a while to indicators, also released last determine which game they will play: buy, sell or hold.

They had raced to the close of activity is humming along in the US.

Surprised by the economy's in February, against only \$1.20n show of strength, battered by the resulting fall in bond prices and resulting fall in bond prices and resulting had bottomed out against the yen.

Surprised by the economy's in February, against only \$1.30n show of strength, battered by the resulting fall in bond prices and unsettled by the renewed shakiness of the dollar, a lot of credit market perticipants are wondering what happens next with growth, inflation and currency life insurance companies which rates. It has been many months are record \$10.70n of foreign bonds in February, against only \$1.30n in Jamuary, emboldened by hopes that the dollar had bottomed out against the yen.

Signs of currency stability were some comfort to Japanese life insurance companies which rates. It has been many months

US MONEY					
	Friday	1 week	4 whs	12-math	12-mouth
Fed Funds (wealty meraje)	6.64	6.57	6.60	7.78	5.50
Three-month Treasury Wife	5.71	5.70 5.98	5.48	7.17	5.43
Three-ships of reasons and successions	6.70	4.44	6.45	8.28	5.88
38-day Commercial Payer	6.61	144	6.50	7.42	5.75
96-day Commercial Paper	6.73	6.40	6.55	4.05	5.45
US BOND PR	CES A	O YIEL	05 (%)		
	Fri.	Change per yek	Yield	1 treek	4 wk.
Scene year Treatmy	20134	e5g	8.57	8.27	7.95
28-year Trustery	1054	-32	8.51	8.74	8.53 8.36
90-year Treasury	1614	-5	8.75	6.47	8.36
New 10-year "A" Floracial	2/2	N/a	7.40	7.45	9.15
New "AA" Long mility	da da	-55 -57 -58 -58 -58 -58 -58 -58 -58 -58 -58 -58	7.75	9.75	9.55 9.45
Sporte: Salomon Bros (estimates).  Monte sample: En No truck ander	March 21	. Mil tens l	***	L 3744.7h	

Norinchukin International

Limited

Swiss Volksbank



foreign investment portfolios. With the dollar falling apart again, it is debateable whether they will want to start off the new year digging another big foreign exchange hole for themselves. US bond yields roughly double those of Japanese bonds may be insufficient inducement.

To add insult to fiscal inturv. To add insult to fiscal injury, the US Congress is trying to work some credit market provi-sions into the comprehensive trade bill. In particular it wants to deny primary dealer status to firms from countries which did

not offer equal access to their own markets for US firms.

The provision would certainly apply to those Japanese firms which have yet to win the coveted status from the Fed. Such crass politics seems mean considering the Japanese have been largely responsible for making Treasury bonds the only true US export success story of this

months or a 4.95 per cent rise with interest reinvested. Indices measuring the total return on Treasury maturities from two to 30 years rose about

to junk bonds as a way to finance blown the ball-out calculations to leveraged buyouts. The deal street from Kohlberg Kravis Roberts' buyout of Jim Walter, a Florida-based company supplying cartain that FICO will be a far materials, finance and services to higger borrower.

up with Salomon to offer \$1.45bn of mortgage backed securities.

Given the collateral of some 75,000 mortgages on single family homes in 22 states which Jim Walter had financed, the issue of the beas had as now leared, out to be as had as now leared, in the state of the beas had as now leared, in the state of the sale of the sal 75,000 mortgages on single family homes in 22 states which Jim Walter had financed, the issue received a AAA guarantee from Financial Security Assurance, a

US investors unencumbered by leading guarantor of corporate the dollar have earned a reason-debt.

the dollar have earned a reason-able return on their domestic Sold in five tranches of varying bonds over the past quarter, maturities, yields range from 7.01 although virtually all the gain per cent for one-year bonds to was in January. Shearson Leh-man Hutton's Treasury long least two percentage points below bond index notched up a 1.78 per yields on junk bonds of similar cent gain in price in the three Sold in five tranches of varying Second, the Financing Corpora-

tion, set up last summer by Con-gress to raise money to bail out failed savings and loan institu-tions, found a more sceptical from two to 30 years rose about thons, found a more sceptical market when it returned to sell standard & Poor's 500 stock index generated a 5.7 per cent return including dividends.

While trading was light and listless as perplexed investors wound down for the long weekend, two deals were notable for the portents they offered.

First Salaman Parkhaman and the salaman scene stocks and the portents they offered.

poration. But recent news has blown the ball-out calculations to

it is believed on Wall Street that Drexel found it difficult to arrange a junk bond issue to replace KKR's bank borrowing in the aftermath of the October market crash, instead, it tesmed up with Salomon to offer \$1.4500 pt.

Roderick Oram

FT/AIBD INTERNATIONAL BOND SERVICE

#### Merrill takes top spot from **Salomon**

kets elbowed past Salomon Brothers and First Boston to become Wall Street's leading underwriter of corporate equity and debt issues in the 1968 first and debt issues in the 1900 hrst.

Quarter, writes Roderick Orans.

Demotion of Salomon and First
Boston from first and second to
second and fourth respectively

second and fourth respectively reflected in part upheavals at both firms over the past year.

On present trends, Merrill could hold on to the top slot for the year, dealing an embarrassing blow to Salomon which has prided itself on leading the industry through much of the decade.

Merrill was lead manager on \$11.7bn of corporate debt and equity issues in the first three months for a 17.2 per cent market share. A year earlier it was third share. A year earlier it was third with \$11.4bn and a 12.7 per cent share, according to statistics from IDD Information Services. Merrill's aggressive tactics and a big lead in the rapidly growing medium-term note market con-tributed to its success.

Salomon was second in the quarter with \$9.5km and a 14.4 per cent share. Goldman Sachs was third with \$8.4km (12.8 per cent) followed by First Boston (\$7.1bm and 11.1 per cent), and Morgan Stanley retained fifth place with

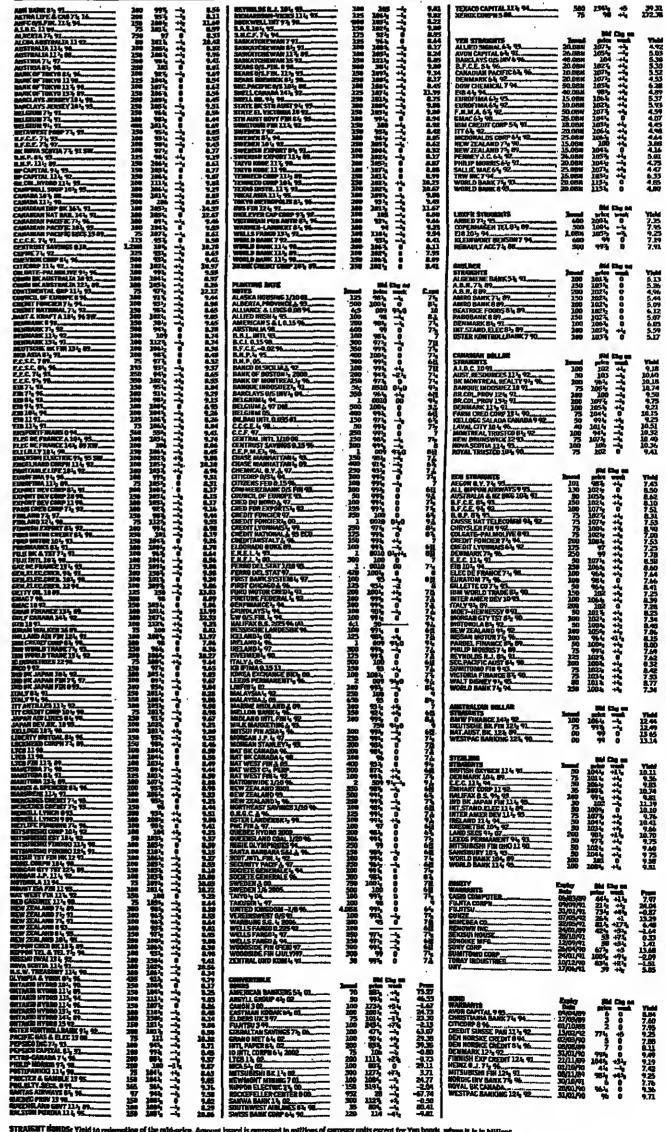
(\$7.1bn and 10.4 per cent). Total new corporate issues fell 22 per cent to \$68.3bn from \$87.4bn a year earlier.

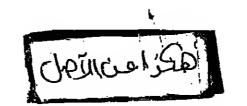
#### symmetrical policy is the acid test. A judgment on that by the investor is also the measure by which gifts look attractive at cur-Simon Holberton the economy does slow the rate NEW ISSUE Rabobank Nederland Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. March, 1988 A\$50,000,000 12¾ per cent. Bonds 1988 due 1991 **SBCI Swiss Bank Corporation** Rabobank Nederland Investment banking **Bankers Trust International** County NatWest Limited Limited **Hambros Bank Limited** Algemene Bank Nederland N.V. Genossenschaftliche Zentralbank AG-vons **ANZ Merchant Bank Limited** Hamburgische Landesbank Girozentrale Banca del Gottardo Kredietbank International Group Bank Brussel Lambert N.V. McCaughan Dyson Capel Cure Ltd Banque Internationale à Luxembourg S.A. Crédit Commercial de France Nederlandsche Middenstandsbank nv Credit Suisse First Boston Limited Norddeutsche Landesbank Girozentrale **DG BANK Deutsche**

Genossenschaftsbank

**EBC Amro Bank Limited** 

**Swiss Bank Corporation** Investment banking





#### INTERNATIONAL CAPITAL MARKETS AND COMPANIES

### Qantas-NZ merger plan wins cool reception

By Chris Sherwell and Dai Hayward

**Ifit** 

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The Rolling Co.

mooted after it was returned to and Koppers both own plants in the court to rule against both.

Shearson said Mr Papariella mooted after it was returned to and Koppers both own plants in the court to rule against both.

Meanwhile, the acrimony survey was "grandstanding" and using the role of Shearson events to publicise his move to a standard property of the court to rule against both.

Meanwhile, the acrimony survey was "grandstanding" and using the role of Shearson said Mr Papariella property and the court to rule against both.

Meanwhile, the acrimony survey was "grandstanding" and using the role of Shearson said Mr Papariella property and the court to rule against both. Labor's conference at Robart in these grounds by the Justice mid-year, has generated powerful Denartment.

party opposition.

The idea of merging the three airlines has been floated before, but never so firmly. Both the

be an equal partner — not a share.

Share — transaction supported by the minority shareholder — in any new group.

Share — transaction supported by the feature of the continuing talks with farmers board.

The continuing talks with third parties which it said might — F. W. Woolworth shares — merger agreement.

## Rumasa chief in offer for troubled Spanish airline

By Chris Sherwell and Dat Hayward

AMBITIOUS PROPOSALS to partially privatise the national airlines of Australia and industrial empire was expropriated by the country's Socialist optiated by the country's Socia

MR JOSE Maria Rulz-Mateos, the Government. The airline, nearly investment programme and a

try's domestic and international carrier.

In New Zealand two members of the cabinet, Mr Bill Jeffries, Civil Aviation Minister and Mr Richard Prebble, State-Owned Enterprises Minister, publicly

Inter Jobs and begin a major in the major investment programme in return Last year the Government ried some L3m passengers a year ried some L3m passengers a year will be to pay its insurance of Wolfgang Krauss, former operations less week with debts regional airline, administer Span-lessed MD-83s, two DC-8s and four Boeing 737s.

## Koppers seeks permanent order

Richard Prebble, State-Owned Enterprises Minister, publicly supported the proposal. However their support depends on there being definite advantages for New Zealand.

Although widely viewed with favour in Anstralia yesterday, a further proposal, to float up to 49 per cent of the new grouping to the public, attracted the wrath of anti-privatisation activists

All three airlines are undercapitalised, while both governments are strapped for money. New Zealand's Labour Government announced last year that it would float part of Air New Zealand, but has yet to proceed

The Australian Government's are strapped for money. The court lo days ago, expired yester-dependent of the proceed of the proposal to the proceed of the proposal to the process of the process of the proposal to the process of the process of the proposal to the process of the proposal to the

kand, but has yet to proceed
The Australian Government's ideas for privatising Qantas and Australian Airlines were first mooted after it was returned to nower in July But the issue.

against Beazer, issueu by the against Beazer, issueu by the court in days ago, expired yesterday. The court had raled that a merger might carry anti-trust considerations because Beazer and Koppers both own plants in anothern California. The take-

Beazer said tha temporary joined with Beazer and NatWest, order had no practical effect on it the UK bank, to form BNS, a because its \$60 a share, \$1.69bm company to launch the bid. tender offer expires on Thursday, Mr Robert Papariella, a Mr Robert Papariella,

three days after the initial order lanses. But Koppers is hoping another court ruling in its favour in the next few days would impair Beazer's bid.

Koppers has won several other legal victories in recent days. A Delaware judge upheld Koppers' poison nill defence and its eligibility to use the state's anti-take-over statute. Beazer had asked

vice-president in Shearson's Pitts-burgh office, and Ms Anne Saxer, his assistant, have resigned in protests against the firm's role. They accused their former

employer of trying to "double dip" by working with Beazer on the takeover while simultan-aeoulsy offering defence services

Lehman Hutton in the deal rival broker in Pitisburgh, Kop-increased sharply. Shearson has pers' home town.

#### Grolier stock tops new Hachette terms

SHARES OF Grolier, the US lead to the sale of some or all of moved up sharply on takeover its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a satisfactory price its assets if a satisfactory price its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its assets if a satisfactory price in a fraction after a group led by its ass

#### Campeau hopes for repeat **SUCCESS**

By Roderick Oram in New York

TAKING OVER Allied Stores 15 months ago, an audacious move

trails.

The proposals, revealed at the weekend, would bring together Gantas, Anstralia's international airline, and Anstralian Airlines, the state-owned domestic carrier, with Air New Zealand, that country's domestic and international carrier.

In New Zealand two members of the cabinet, Mr Bill Laffrices. deal, is even more sceptical about the Federated purchase given its size and the generally flat out-look for the US retail sector. The 10-week battle came to a climar late last week when the Referred board accounted a \$23.50.

climax late last week when the Federated board accepted a \$73.50 a share offer from Mr Campeau. He had snatched the grand prize after cutting a last minute deal with R.H. Macy, the privately held New York retailer, which had been bidding against him. Macy's will pay Campeau \$1.1bn for two key Federated operations, the I. Magnin and Bullock's Willshire division which is whishire division which will stantially beef up its presence in California. Campeau will in turn pay Macy's \$60m expenses from the abortive take-

Campeau had opened the bidding in January with an offer of \$47 a share. The final price, after one of the most convoluted and litigious battles in recent years makes the deal the largest non-oil takeover ever in the US.

Campeau has already agreed to sell Federated's Brooks Brothers clothing shops to Marks and Spencer of the UK and its Filene's and Foley's divisions to May Department Stores of the US. Many more disposals are

The bidding war forced Cam-peau substantially to reduce ownpean substantian to reince owi-ership of his Canadian and US holding companies to secure additional sources of funds. Mr Edward DeBartolo, a shop-ping centre developer, pledged \$490m and the Reichmann family:

of Toronio chipped in \$260m both in exchange for a chunk of Mr Campean's empire. If Campean stumbles, they will extract a huge penalty from him.
Also, if market conditions or
the sheer scale of the latest deal work against him, he will be cru-elly exposed to a massive new debt burden.

### Rowe drops out of Leigh fight

ments, the Ottawa avionics already owns in Leigh to Plessey. group, leaving the field open to Plessey of the UK.

The total value of the Plessey bid is around C\$100m (US\$81m).

Polysar Energy & Chemical

Mr Rowe began the takeover fight six weeks ago. After several increases to its bid, Plessey's last offer of C\$7 per Leigh common share and C\$29.25 per preferred tors' meeting originally sched-has carried tha day with full uled for last week to consider the

MR KENNETH ROWE, the Nova recommendation by the Leigh Nova offer until Thursday. Scotia entrepreneur, and his IP board.

Actrospace concern have dropped Mr Rowe did not say whether extra time to study the Nova bid out of the fight for Leigh Instruments, the Ottawa autonics already are to the study the Nova bid out of the fight for Leigh Instruments, the Ottawa autonics already are to the study the Nova bid out of the fight for Leigh Instruments.

is continuing its opposition to a takeover bid from Nova, the big Western Canadian energy group. Polysar has postponed a direc-

Analysts believe Polysar, the former Canada Development Cor-poration, is holding out for a higher price.

Nova has offered C\$22.50 a share for the 75 per cent voting interest in Polysar that it does not already own, amounting to nearly C\$700m.

#### **NEW INTERNATIONAL BOND ISSUES** Offer yield Av. life Coupon Borrowers US DOLLARS nou Seikote Ebara Corp. 04 European Comm Torento Demin 100.95 CSFB AUSTRALIAN DOLLARS **DEUTSCHE MARKS** 5.493 **SWISS FRANCS** Bai-ichi Katel Denki\*\$4 Fukutoko Sogo Bank\*\$5 Britannia B. Seciety(6)4 Sizwag\*\*4 Advantest§ Kornatsu Zeneah Co.§ Baiwa Jungstyles6 Bge Paribas (Salsse) Credit Salsse Wirtschafts Privatibk Credit Salsse Credit Salsse UBS Bank Len Swiss Volksbank SBC 0.626 0.626 4.059 3.731 Daiwa Industriesi Seikitokyn Kogyos Kaneboo FRENCH FRANCS Interfinance Credit Nat. LUXEMBOURG FRANCS Mortgage Bk Depmark\*\*(h)+ Mortgage Bk Depmark\*\*(h)+ Banco Di Napoli Int.\*\*\*+ Euso Gutzeit O'\*\*\*+ Becton Dicklesus\*\*\*+ Krediethank Lux. Krediethank Lux. Bge Paribas Lux. Credit Europeen Soc Gen Alsacieno 6.939 7.800 7.125 7.314 7.128 IMI Bank Int. 10112 Bankers Tst Int World Banks 1011 Banca N' Del Lavore STERLING Creditanstatto New Zealando IBJo 9.447 9.145 9.173 9.162 9.237 Swedbank(c)+ BNP(c)+ Skandi EuskildaBanken(c)+ Kansallis OsakePankki(c)+ 6.578 6.548 6.525 6.578

**OPEN LETTER TO HOLDERS OF** 7% CONVERTIBLE SUBORDINATED DEBENTURES DUE TO 2002 FROM THE CHAIRMAN OF THE BOARD OF FACET ENTERPRISES, INC.

DEAR DEBENTURE HOLDERS:

As you may be aware, a wholly-owned subsidiary of The Prospect Group, Inc. is making an unsolicited cash tender offer for Facet's shares of common stock. On March 24, 1988, after your Board had unanimously rejected the original \$26 (U.S.) per share offer as inadequate, Prospect increased the per share offer price to \$27.50 (U.S.). .

The Facet Board has unanimously determined that the current Prospect offer is inadequate. Furthermore, in the Boards view the offer remains excessively conditional and not in the best interests of current Facet and its stockholders. The Board continues to recommend unanimously that stockholders reject the offer and not tender their shares.

Although Prospect claims not to be making an offer for your convertible debentures, it is effectively trying to do just that by asking you to submit your debentures to Prospect's "Conversion and Forwarding Agent" together with a form which would confer authority on its agent to convert your debentures and tender the underlying common shares. Your debentures are currently convertible into Facet common shares at a conversion price of \$25% (U.S.). If you would like a copy of the letters that I have sent to our common stockholders and the

accompanying filings made with the United States Securities and Exchange Commission setting forth the reasons for the conclusions, recommendation and actions of the Board, or if you have any questions concerning Facet's position regarding the unsolicited Prospect offer, please call the telephone number indicated below. Please note that we are making no recommendation as to whether or not, now or in the future,

you should convert any of your debentures. However, if you wish to do so, we do recommend that you use the regular conversion procedures established under the terms of the debentures and do not use the form provided by Prospect.

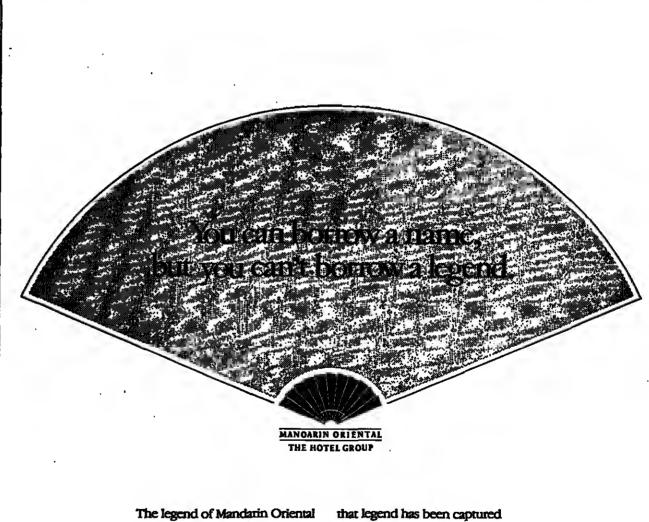
As a potential owner of our common stock, you can be assured that we will continue to act in a manner which we believe to be in the interests of Facet and its stockholders.

We thank you for continued support and encouragement.

March 28, 1988

TAMES R. MALONE Chairman and Chief Executive Officer

IF YOU HAVE ANY QUESTIONS OR WOULD LIKE FURTHER INFORMATION CONCERNING THESE MATTERS PLEASE CALL D.F. KING & CO., INC. IN NEW YORK AT 212-269-5550 (COLLECT) OR D.F. KING'S ASSOCIATE, TR. DAWSON & CO., IN LONDON AT 588-2453.



was created by two of the finest hotels in the world. The Oriental Bangkok and Mandarin Oriental Hong Kong. This legend grew from a reputation for excellence in service and a dedication to providing the most elegant accommodation. Now, the essence of

by Mandarin Oriental Hotels in a few other select locations including Singapore and San Francisco. So it's hardly surprising that other hotels have tried to capitalise on our good name. Needless to say, though, they haven't been able to imitate the legend.

MANDARIN ORIENTAL THE WORLD'S FINEST HOTELS

THE BATTLE over Crescent recent corporate transactions in Japan, the £113m investment the investment trust sector, the trust managed by Edinburgh proposals to unitise Crescent Fund Managers, will hot up Japan are not set against a backtoday as the board sets April 22 ground of criticism of a poorly as the date for the requisitioned extraordinary meeting and posts management or a flawed investment. extraordinary meeting and posts a hard-hitting defence circular to shareholders arguing the case gainst unitleation

The EGM has been requested by an aggressive American con-cert party, centred around the New York-based Grace family, which has built up a 20.09 per cent interest in Crescent.

At the meeting the Americans will propose a motion which requests the board to liquidate the trust and transfer the assets

Because a unit trust's price is directly related to the value of its investments, this type of "unitis-ation" scheme eliminates much of the traditional investment trust discount. The bulk of the Americans' holding was bought at discounts of over 30 per cent in the wake of the October crash.

The Crescent board, however, is firmly opposed to such a proposal and, in its document,

#### Hepworth offer unconditional By Nikki Tait

Hepworth Ceramic, the build ing products group, has declared its £84.6m cash offer for door manufacturer, Henderson Group, inconditional in all respects.

By Thursday afternoon, the bidder had received acceptances in respect of 18.17m Henderson shares or 80.5 per cent of the equity. Amongst these was the 29.4 per cent stake accumulated by Hepworth itself. A rival but lower bid by Midlands-based Newman Tonks failed in mid-March, effectively clearing the way for the recom-mended Hepworth offer.

#### Barbican suspended

Barbican Holdings, industrial property and leisure company, has suspended dealing in its shares under the Stock Exchange's Rule 585(2), pending an application to join the Third Market.

The company recently raise £4.4m via a rights issue and with 8,000 shareholders, Mr Peter Parkinson, a director, said that dealing on a matched bargain basis is

**TURNOVER** 

**OPERATING PROFIT** 

PROFIT BEFORE TAX

ing business areas."

Road, Watford, Herts WD1 2LT.

"The board wishes to draw to the attention of larger shareholders in particular, to the 'short term' policy exemplified in the US concert party's proposals.

"We believe such a short-term strategy is undesirable and does nothing to assist the most efficient use of long term capital. Accordingly, we urge our larger institutional shareholders in par-ticular to support the board."

Elsewhere in the circular, Crescent points to its track record. Over periods ranging from one to ten years, it says that it has ranked no lower than 17th and up to 3rd in terms of share price total return. This is out of about 100 trusts monitored by the Association of Investment Trust Com-

posal and, in its document, makes clear that it sees the fight ahead as a test case for the investment trust industry.

The Scottish management outperform unit trusts over the argues: "Unlike a number of past ten years. The board has after the October crash.

The battle over Crescent looks set to be a fierce one. The concert party's advisers, Oiliff and Part-ners, have already been critical of the decision by the trust's managers to raise their annual management fees to 0.75 per cent

The management contract runs for five years and although the annual charge itself is not excep-tional, the combination means that any forced severence of the contract could enable the manag-

This, argues Olliff, smacks of a "poison pill" — a matter it is raising with the Taksover Panel. The concert party is also likely to criticise the trust's more recent management record. Although the aggressors accept that Crescent has tracked the

#### Strong UK-led recovery gives Boustead £1.4m

Boustead, international trader been made in the UK but that in with operations in the UK, Singathe Singapore region the recovery mader in the UK but that in the Singapore region the recovery had been more complex.

Some structural changes had its new management team intro-

Pre-tax profits more than tre-bled from £380,000 to £1.38m. This was achieved on turnover which

Some structural changes ha

been made in the group. The majority interest in Parque Investments, financial services company, was sold and Metal Supplies, processor, importer and was achieved on turnover which dropped from £38.85m to £27.95m. After tax of £206,000 (£212,000), earnings worked through at 2.19p (0.38p). The final dividend is 0.4p making a total of 0.5p (0.1p).

Mr Tommy Macpherson, chairman, said strong progress had

BOARD MEETINGS

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SENIOR

ENGINEERING GROUP PIC

**RECORD RESULTS IN 1987** 

"I am very pleased to report yet another significant

improvement in trading results for the Group, fully

justifying our commitment to growth within exist-

SENIOR

Our 1987 Report and Accounts will be published in two weeks. For a copy please write to the Secretary, Senior Engineering Group plc, Senior House, 21 Derby

1987

£m

144.1

11.3

9.3

1986

£m

104.1

Professor Roland Smith

9.0

Change

+38%

+25%

+22%

Chairman

	Substantian Parties	
	First Chicago Corp	Apr B
L	Philips' Lamps	Apr 20
	Vildag Packaging	May 19
•	Placin	
	Accord Publications	Apr 11
	Britannia Group	Apr 14
	Cory (Horsos)	Apr 14
•	F & C Pacific lev Tet	Apr 14
_	Had Od-March	Apr 73
	Heal (Matthew)	
	Managery Company	Apr 65
	Servey Hotel	Apr 12
	Tellor	Apr 6
	Thurger Berdex	Apr 14

#### **Board** changes planned for A&M By Philip Coggan

A & M., a USM-quoted company which specialises in hiring antique furniture to television and film companies, is set to reveal substantial losses for

Although the core activities furniture hire and BRRK, a film set designer and construc-tor — were trading profitably, other group businesses will require substantial exceptional write-offs.

New management is being brought into A & M with the backing of private corporate finance company, City and Westminster Financial, which is being given options on more than 15 per cent of the equity. CWF is also behind the current reconstruction of Sumrie, the textiles group. Last year, it lost out in a boardroom batile for Brenner, the department

Mr Bryan Flinn, formerly of Sangers Group, is being brought in as chairman and brought in as chairman and Mr Anthony Phillips, a former director of British Home Stores, is joining the board.

The new board intends to proceed immediately with a capital raising programma which is likely to involve either a rights issue or a venture. either a rights issue or a ven-dor placing with clawback. Two directors, Mr Graham Farquhar and Mr Colin Mill-ward, have resigned.

#### Perkins Food acquisition

Perkins Food, formerly John Perkins Meats, has made its first acquisition since new ment moved into the

management moved into the group last August.

The company, now led by Mr Michael Davis, former Imperial Foods chairman, and Mr Howard Phillips, former Golden Wonder chief executive, is buying the Baxter group for \$4.5m.

Baxter, which supplies fresh and frozen meat products to caterers in London and the south-east, made pre-tax profits of \$620,000 in the year ended January 31, 1986.

FT Share Service

The following security was

tion Service in Thursday's edi-TGI (Section: Klectricals).

Ian Hamilton Fazey on the sustained growth at Spring Ram

## Quality and service clean up

CAN Spring Ram keep it up? The bathrooms, kitchens and home improvements group based in Sowerby Bridge, west Yorkshire, has show continuous amutal profits growth of 50 per cent since its start-up on New Year's

Day in 1980.

The record, sustained through its flotation on the USM in 1983 and on to a full listing in 1985, seems almost too good to be true. Yet its latest results, published two weeks ago, revealed 1987 pre-tax profits at £10.7m, com-pared with £7m the year before. early £61m

Even as the results were being published the company was push-ng to get its new kitchen factory ing to get its new kitchen factory ity, followed by a deliberate in Scunthorpe ready for Easter. It attempt to provide the best service in the industry. In other ing and, by using the latest words, it's really very boring and labour-saving "wood engineering" technology, probably improve already high levels of productivity by about half.

At the same time Spring continuously and its Bosses.

Ram's new plant to make kitchen sinks and worktops out of Aster-ite - the latest tough, castable plastic from ICI that can be produced in any colour a designer could possibly desire — is also near completion.

ous china sanitaryware factory by a third.

As the expansion suggests. Spring Ram has become one of the great successes of the frag-mented UK furniture sector, thanks to its large scale, efficient production on greenfield sites, keen pricing, and clever product

marketing.

Mr Bill Rooney, the chairman, says: "Our philosophy is very simple. We acquire or develop the best people in the industry so that they can make the best valthat they can make the best val-ue-for-money products in their

"The products have to be good based working practices of the enough for us to give guarantees Potterles, it occupies only a quarof up to 20 years for some of ter of the space needed by typical



them. It's quality, quality, quality, followed by a deliberate attempt to provide the best service in the industry. In other

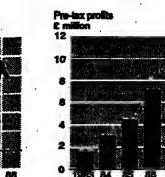
At the same time, Spring continuously, and Mr Rooney tam's new plant to make kitchen reckons its slice of the sector is inks and worktops out of Asterwell-motivated management team plenty of elbow room.

The core business - kitchens

- has about 13 per cent of a 2560m retail market (the ex-The Asterite plant will free space where the sinks are now are about half the retail value). made, and Ram Bathrooms will the market is growing by 5 per expand into it, increasing its output 30 per cent. Plans are also company increased the numbers advanced to expand a new vitre- of outlets selling its wares by 30

Furthermore, because Spring Ram now offers more and more matching accessories, such as wine racks, tiles, and even Asterite sinks, its average individual sale went up by £350 to £1,750 despite the fact that the prices of the company's basic kitchens have remained unchanged now

The group now makes one in four of Britain's baths. The new sanitaryware factory in Bradford produces loos and washbasins using the latest technology. Unfettered by the historically-based working processes of the



competitors to achieve the same

In the marketplace, service is fast, Kitchens are delivered in 48 hours and Spring Ram itself car-ries seven weeks' stock so that retailers do not have to finance quick deliveries with their own working capital — which increases the company's appeal to them. Tight management helps finance such stock levels by keeping production waste under 7 per cent.

Sanitaryware comes packed in a liftable cube of a cartoon -containing all fittings too - that can be carried home in a hatchback. Competitors still supply in hits and pieces.

Spring Ram started when Mr prevent the Peter Principle (pro-Rooney decided to set up on his motion beyond an individual's own after a managerial career ability) damaging progress. that had developed through a degree in economics and geography at Liverpool University, follows the Milk Marketing expected to affect the sector, but lowed by the Milk Marketing Board, CWS Bakeries, J. Lyons, Cavenham Foods, Hygena and, finally, Gower Furniture in Hali-

He put together a team of eight people whom he considered the best at their jobs in the home improvements industry and they formed what he calls "an execu-tive co-operative."

Wilson, and ended up working for Mr Rooney at Gower Furni-

ture.

The "ram" in Spring Ram is an abbreviation of "Rooney and Murray." The "spring" comes from the Spring Bank Industrial Estate, where they started up in an old blanket mill that had four walls but no roof.

The group now owns all its own premises, buying or building as appropriate. With 14 factories, it has formed its own property nt has numed his own property subsidiary, run by Mr Murray. Expansion is paid for entirely from revenue and retained prof-its. "We have no gearing and pay no rent," Mr Murray says. "Wa don't believe in them." Key problem for Spring Ram is to manage its growth while not

to manage its growth while not allowing the drive of its founders to be dissipated by the developing size and complexity of the

organisation.
So, each business area is constituted as a self-governing subis-idiary, with its managers appointed as directors. There are now 26 of these directors across the group, and they have the added incentive of share options. Mr Rooney and Mr Murray sit on the various boards, but can be outvoted - and sometimes are. Some of the original eight all of them now rich on paper have even agreed to new blood being brought in above them to

motion beyond an individual's ability) damaging progress. The abolition of tax relief for a report since then from Pan-mure Gordon, the company's own broker, forecasts that Spring Ram will make pre-tax profits of tion this year and £22m in 1989.

The company therefore finds itself with a highly unusual problem: it is hard for analysts to find anything critical to say about it. formed what he calls "an executive co-operative."

His finance chief and closest "green field management" — colleague was — and is — Mr starting from scratch and doing Bob Murray, a former wages clerk at the old Consett iron works who qualified as an accountant with Albright and factor to hold it back now?

#### PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except when the forthcoming board meetings (indicated thus ") have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

Dale	Announce-	, Date	Announce- prest lest	
 AB PortsApr 7 Abley LifeApr 6 ArmscApr 7 Blue CircleApr 15 Briddon EgrApr 22 BenziApr 5 Barmah QilApr 7 CostainApr 29 Hall (A)Apr 3 HaromersonApr 8	Final 4.0 Final 5.5 Final 7.8 Final 77.0 Final 3.9 Final 2.46 Final 9.0 Final 3.5 Final 3.5 Final 8.5	* Hawton StdApr 20 * Bustock JohnApr 7 * IndicapreApr 21 * Man & SpentMay 6 * Recklik ColApr 7 * San AllienceApr 27 * Tate & LyteApr 29 * TestoApr 29 * TestoApr 27 * WellcomeApr 28	Fluid 12.0 Fluid 13.05 Fluid 13.05 Fluid 11.75 Fluid 11.75 Fluid 16.0 Fluid 16.0 Fluid 4.75 Interior 0.8	

## TOTAL

**TOTAL COMPAGNIE FRANÇAISE DES PÉTROLES** 1987 Financial Results (Parent Company)

At its meeting on 30 March, the Board of Directors reviewed the 1987 accounts of the TOTAL COMPAGNIE FRANÇAISE DES PÉTROLES parent company (million francs: MF).

1) Net profit amounted to 1 382 MF compared with 1 013 MF in 1986. Dividends received from subsidiaries totalled 1 753 MF (of which 1 305 MF were contributed by production subsidiaries) against 1 945 MF in 1986.

2) Depreciation and provisions resulted in a net write-back of 46 MF. This is attributable to sizeable write-backs on provisions this year, mainly for the Italian refining-marketing subsidiary, the sale of which had a positive effect on results, amounting to approximately 1 100 MF.

An additional provision of 550 MF has been made for CRD TOTAL FRANCE whose results were still extremely negative in 1987.

 The Board will propose that the Annual General Meeting of shareholders approve a dividend of 20 F per share (unchanged from 1986) to which would be added a tax credit of 10 F, making a total of 30 F per share. The total dividend distributed would therefore be 725 MF.

The Financial Times survey on:

4 May

Clive Radford on Bristol (0272) 292565 Fax (0272) 225974

or write to him at:

Merchants House Wapping Road Bristol BS1 4RW



#### Malaysia US \$650,000,000

Floating Rate Notes Due 2005

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 5th April, 1988 to 5th October, 1988 the Notes will carry an Interest Rate of 74/6% per annum

Interest payable on 5th October, 1988 will amount to U.S. \$365.36 per U.S. \$10,000 Note and U.S. \$9,134.11 per U.S. \$250,000 Note.

Morgan Guaranty Trust Company of New York London

#### Swindon

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For a full editorial synopsis and advertisement details. please contact:

**FINANCIAL TIMES** 

#### U.S. \$100,000,000 Security Pacific Corporation Subordinated Floating Rate Notes due 1992

Notice is hereby given that for the interest Period from April 5, 1988 to July 5, 1988 the Notes will carry an interest Rate of 74/% per smann. The coupon amount payable on July 5, 1988 will be U.S. \$1,901.04 and U.S. \$190.10 respectively for Notes in denominations of U.S. \$100,000 and U.S. \$10,000.

By: The Choco Haubalian Bank, N.A. Landon, Agant Bank April 5, 1988

#### SABRE VI Limited U.S.\$72,000,000 Floating Rate Secured Notes due 1992

For the 6 months period 5th April, 1988 to 3rd October, 1988 the Notes will bear the interest rate at 7.375% per annum. US\$3,707.99 will be payable from 3rd October, 1988 per US\$100,000 principal amount of Notes.

U.S.\$ 100,000,000

Notice of Redemption

### DG BANK FINANCE

11% Bearer Bonds due 1990 NOTICE IS HEREBY given that in accordance with Condition 6 (b) of the Terms and Conditions of the Bonds the Company will redeem all of the outstanding Bonds at the price of 101% of their principal amount on June 1, 1988, when interest on the Bonds will cease to accrue. Repayment of principal will be made upon presentation of the Bonds with all unmatured Coupons attached,

at the Offices of any one of the following Paying Agents: DG BANK Deutsche Genos Am Platz der Republik D-6000 Frankfurt am Main 1 - Principal paying agent -DG BANK

10 Alderagate Street Manufacturers Hanover Bank Luxembourg S.A.

39 Boulevard Prince Herri

Grand Duchy of Luxembourg Menufacturers Hanover Bank/Belglum S.A./N.V. B-1000 Brussel

**Manufacturers Hanover Trust Company** 

Stockerstraße 33 CH-Zurich Accrued interest due June 1, 1988 will be peld in the normal menner against presentation of Coupon No. 5 on June 1, 1988.

Deutsche Genossenschaftsbank Principal paying agent

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange Sapphire Petroleum P.L.C. (Incorporated in England under the Companies Acts 1948 to 1980, Registered No. 1558167) TO BE RENAMED

American Distributors PLC

APPLICATION FOR PERMISSION TO DEAL IN THE UNLISTED SECURITIES MARKET IN THE ESUED ORDINARY SHARES OF SOP EACH OF THE COMPANY, IN UP TO 107 20.645 NEW ORDINARY SHARES OF SOP IP EACH CNEW ORDINARY SHARES TO BE ISSUED FULLY PAID PUBLIANT TO AN OPEN OFFER AT 11P PER SHARE AND IN 5.121.639 REW ORDINARY SHARES TO BE ISSUED AS PART CONSIDERATION FOR AN ACQUISITION.

ENLARGED SHARE CAPITAL

Authorised
210,702,004.50
Ordinary Shares of 50p each
£10,702,004.50
Ordinary Shares of 1p each
£2,127,421.64.50
Application has been made for the grant of permission for the shares in issue and the new Ordinary Shares to be issued pursuant to the Open Offer and to the proposed acquisition of Golden Distributors, Ltd ("the Acquisition"), to be dealt in in the Unlisted Securities Market. It is emphasized that no application has been made for these securities to be admitted to listing. It is expected that dealings in the Ordinary Shares and the new Ordinary Shares will commence in the Unlisted Securities
Market on 8th April, 1988.
Resolutions, inter alle, to increase the Contract of the Contract

Resolutions, inter alia, to increase the Ordinary share capital and to authorise the Board to allot new Ordinary Shares pursuant to the Open Offer and to the Acquisition will be put to an Extraordinary General Meeting to be held on 6th April, 1988. Particulars relating to the Company are available in the Extel Statistical Services and copies of such particulars will also be available, during normal business hours on any weekday (excluding Saturdays and Public Holidays) from 5th April, 1988 up to and including 19th April, 1988, from:

Cheas Investment Sarabira Batardaya.

Williams de Rost Evil Williams de Broë Hill

Chase Investment Supplies Petroleum Sapplies Petroleum P.L.C., Woolgate House, Coleman Street, London EC2P 2HS

Chaplin & Company Limited, Pinners Hall, Austin Friers, London EC2P 2HB

and are also available from the Company Amountements Office of The Stock Exchange for collection for two days from 5th April, 1988.

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FINANCIAL TIMES STOCK INDICES



**BASE LENDING RATES** 

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**FOREIGN EXCHANGES** 

### Dollar trades nervously in New York on strong employment data

Royal Trest Bank Spatch & Williams Sess.... Standard Charlesof

Notice of Redemption . .

to the Holders of

U.S.\$100,000,000 121/4% Guaranteed Bonds due 1991

Unconditionally and irrevocably guaranteed by

Koninklijke Luchtvaart Maatschappij N.V.

(K.L.M. Royal Dutch Airlines)

(Incorporated with limited liability under the laws of The Netherlands)

NOTICE IS HEREBY GIVEN to the holders of the outstanding U.S.\$100,000,000 121/4% Guaranteed Bonds due 1991 (the "Bonds") of Hol-

land Airlines Finance N.V. (the "Company") that pursuant to the provisions of the Terms and Conditions relating to the Bonds and the provisions of the Trust

Deed and Paying Agency Agreement each dated 10th May, 1984, the Com-

pany has elected to and will redeem on the 10th May, 1988, (hereinafter called the "redemption date") all of the Bonds then outstanding at a redemption price

All the Bonds will become due and payable at the redemption price on the

redemption date and with the same effect as if it were the date of maturity specified in such Bonds upon presentation and surrender of the Bonds together with all the coupons appertaining thereto maturing after the redemotion date at the offices of any of the Paying Agents listed below. If such Bonds are presented for payment without all interest coupons appertaining thereto

which mature after 10th May, 1988, the amount of the missing unmatured coupons will be deducted from the redemption monies due for payment. interest on the Bonds will cease to accrue from and after 10th May, 1988. Coupons maturing on 10th May, 1988 should be detached and presented in

**Paying Agents** 

equal to their principal amount plus a premium of 0.50% thereof.

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Western Bank Corp. 812
Whitemany Laiding 9

AS THE Easter holiday continued in Europe trading in New and Y123.75, and looked set to out the added stimulus of busilar. York resumed yesterday. The dollar weakened, following Friday's ers were reluctant to put too release of stronger than expected much pressure on the currency and held steady at around for fear of intervention by the DM3.1250.

The dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the dollar opened at DM1.6500 was very thin in New York, with nervousness surrounding the out the added stimulus of busiless.

US employment data.

For fear of intervention by the Forecasts varied widely, but Federal Reserve.

Last week on the foreign dollar.

The main impact on sterling exchanges was dominated by the main impact on sterling around DM1.5520 and above continued demand for sterling, as was the evidence given to a Comtions, and suggested US growth There were reports of some February trade figures, Committee by Mr Robin Leighmann no early improvement in maining of long yen positions announced on the previous Fri
Pemberton, Governor of the Bank are and by a general mood of England, and Mr Nigel Law-

3899EEEE 1864 196 196 196 20 20 15

is strong, which in turn could There were reports of some reports of some announced on the previous Frimean no early improvement in against the D-Mark, but trading day, and by a general mood of England, and Mr Nigel Lawson, Chancellor of the Exchequer.

The pound rose on Wednesday
Some Calls-strikenests Pro-strikenests Some Calls-strikenests from Mr ent to the committee from Mr Leigh-Pemberton on Monday, although according to week-end press reports there remains a major rift within official circles

lor stressed the importance of the sterling on March 7, but very litfight against inflation. This was the in the following weeks to the in line with recent comments by end of the month. Mrs Margaret Thatcher, the Prime Minister, and appeared to reserves will rise \$2bn. ANZ Merremove a major hurdle to the chant Bank agrees with this fig-

tomorrow, but no important US

pound's advance. Sterling rose ure, and points out that on one sharply, and was sold by the Fed day alone the anthorities sold eral Reserve in New York, but \$1bn of sterling below DM3.00. Continued to improve. The Even when DM3.00 was breached pound's rate against the dollar on ANZ suggests the central bank Thursday was the highest since remained active, especially prior to the base rate cut on March 17.

This week will see publication Stockbroker, James Capel, of UK official reserve figures believes the underlying rise in the reserves could be as high as

The median forecast in the City is for a rise of about \$1.5bn for the pound at DM3.15, and as in the March reserves. Morgan the debate continues on currency Grenfell suggests there was a policy, dealers will be intrigued to see if this results in another cot in UK bank base rates.

£ IN NEW YORK

STERLING INDEX

**CURRENCY RATES** 

Bank rate

Special\* Drawing Rughts

#### THE F.T. CENTENARY TRIPLE MARATHON CHALLENGE (London Paris New York) IN AID OF THE SICK CHILDRENS TRUST

Two employees from the Financial Times will be running the London, Paris and New York marathons this year to raise money for The Sick

This charitable trust provides desperately needed accommodation for parents of children undergoing. long-term specialist treatment at Great Ormond Street and St Bartholomew's Hospitals. The accommodation is currently in very short supply and is urgently required to house parents to comfort their children while they are away from

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#### **CURRENCY MOVEMENTS** OTHER CURRENCIES Long term Europethast two years 014-0 per cent; three years 0.3-0.3, per cent; four years 0.3-0.2 per cent; five years 9.4-0.3 term cent accurate the color of sections and Japanese Very others, two class modes. **EXCHANGE CROSS RATES** E S DOE You F.Fr. S.Fr. H.FL. Lina CS O.Fr. 3.125 254.3 10.60 2.575 3.501 2518 2.327 65.40 1.465 124.1 5.644 1.364 1.854 1228 1.233 34.64 0.530 1 74.98 3.342 0.824 1.120 13.34 1000. 45.24 10.99 14.94 741.8 0,745 20.93 9893 279.1 90-01 89-24 90-08 89-08 1.781 2.968 272.4 in. 2.429 3.303 2167 0.733 1.214 90.99 4.117 1 1.360 900.2 0.539 0.893 66.92 3.628 0.736 1 0.834 1.348 101.1 4.573 1.111 1.518 FORWARD RATES 1.343 100.7 4.555 1.107 4.778 358.3 16.21 3.957 AGAINST STERLING CURRENCY FUTURES LIFFE-STEELING S25,000 5 pm 1.8794 1.8725 1.8545 1.8490 PRODUCTION DICEASED 1-mrs. 3-mss. 6-mss. 12-mss. 1,8866 1,8805 1,8745 1,8640 Estimated Volume 23(0) Previous stay's open (at. 21,2(21,2) **MONEY MARKETS**

## London rates decline on strong pound

the pound's advance continues, and whether this will eventually force the authorities into another cut in UK bank base rates.

Factors on Thursday included a overnight agreement because of a covernight agreement because of a covernight agreement because of a significant credit surplus on that required refinancing, and a wednesday, as a gilt edged stock an overnight repurchase agree.

FI LONDON INTERRANK STATES FT LONDON INTERBANK FIXING

(12.00 a.m. Mar 31) 3 months US dollars

INTEREST RATES declined on the London money market last week, as sterling remained very strong.

Three-month interbank fell to 8%-8% p.c. from 8%-9% two characters and 12-month to 9%-9 p.c. from 8%-9% two characters are slowly persons.

Credit conditions in the money market swung sharply last week, between large shortages and a substantial surplus.

Three-month interbank fell to 8%-8% p.c. from 8%-9% two characters are substantial surplus.

Credit conditions in the money market last market swung sharply last week, as sterling remained very strong.

Three-month interbank fell to 8%-8% p.c. from 8%-9% two characters are substantial surplus.

The surplus on Wednesday turned out to be about £300m, but that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short repurchase pact, but was the first time that dealers could remember the authorities offering such a short r

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f Canada	 The Royal Bank of Canac (France) S.A.	ia
	3 rue Scribe 75440 Paris	

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Dated: London, 5th April, 1988

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rue de Ligne 1 1000 Bruxelles

The Royal Bank of Canada

HOLLAND AIRLINES FINANCE N.V. by Orion Royal Bank Limited Principal Paying Agent



ORION ROYAL BANK LIMITED

The floring rates are the minimentic restous rounded to the meanest one-stotement, of the hid and offered space for S10m quoted by the market to five reservate hands at 11.00 a.m. each working day. The bunks are Radional Westmissier Bank, Bank of Tolero, Deutsche Bank, Bane, withough de Paris and Marquin Guaranty Trust. BANK OF ENGLAND TREASURY BILL TENDER **WEEKLY CHANGE IN WORLD INTEREST RATES** 

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MACHINE II OF 41. PATE AT	LEGISTRE LINE	IN SQUEE IN	ra. ' ' 1400 ID ID	MC 31 . 1702	Scheme N. R	021 0 7 100

#### Financial Times Tuesday April 5 1988 24 LONDON RECENT ISSUES EQUITIES Nel Dix **AUTHORISED** Aparagers pic. Alangers pic. Alang UNIT TRUSTS Property Chaft Tot. Mappy. (co) 80 Highertonic Mr. Energetonic מענער פאנט 1119 145.1 62.1 139.2 78.2m 91.7m 49.4 146.0 100.6 171.2 171.6 171.6 171.6 171.6 171.6 171.6 171.6 171.6 Chicago and a second 7/4 0622 674751 -0.6 2.777 -0.0 3.78 -0.1 7.78 -0.2 1.10 -0.4 1.30 -0.4 1.30 -0.4 1.30 -0.4 1.30 -0.4 1.30 -0.4 1.30 -0.4 1.30 -0.4 1.30 -0.4 1.30 -0.4 1.30 0.374 min v 1377 min v 160.94 171.5 99.4 197.14 177.2 70.1 167.5 43.6 FIXED INTEREST STOCKS Clering Price 갓뷥 Paki 0708-6322 3.47 1.07 2.08 131.1m 196.5 196.5 196.5 196.5 144.8 67.4 147.8 60.6 "RIGHTS" OFFERS Closing Price Latest Rymonic Date Paid up Low 10pm 9pm 16pm 23pm 25pm 5pm 40pm 5pm 48 7 127 14 120 3 121 4 218 0 218 0 218 1 218 5 218 0 18pm 14pm 33pm 23pm 63pm 9pm 65pm 15pm 10-pm 10-4-pm 30-pm 23-pm 23-pm 25-pm 5-pm 40-pm 5-pm **影響·影響** 44 121 +44 121 +44 121 75.0 57.3 쳶떒 77.2 17.3 17.3 When prices matter — Finstat delivers the FT prices online, Unit Trusts, Equities, Gilts, Indices. Funds in Court\* 26 Findury Sq. EC2A 104 Capital Mar 24 -05 186 -06 179 -04 001 -14 079 -15 106 Daily to your desktop computer. 301.5 41.5 166.3 198.2± 98.44 205.2 204.0 84.9 255.0± To find out how to get the prices that mean business contact Robin Ashcroft at Finatat on 01-926 2323, Or write to: Finatat, Financial Times Business Informati 126 Januyn Street, London SWIY 4UJ. **'Old Soldiers** 8-23-145 -04-139 -197 -44-23 -44-43 -15 047 -030 -030 127 127 13 **Never Die** Milmi Meritamania Unid Tak Migra Lide (a)(c)(a) 1) Dampania Suntra, Lunium, ECDA 4777 (6) 4456 3459 (a) free Poblic Balling: 6000 (2027) UK Specimentary Daming: 6000 (2027) but as they 31-22-6066 14.9 Criscaler Unit Trust Managers Lid Relata, Sarry, Ri23B. Relata, Sarry, Ri24B. Relata, Sarry, Ri24B. Relata, Sarry, Ri24B. Relata, Sarry, Ri24B. 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(3-5) 13 Something one may learn from being more scantily clad (6) 15 The over custody (4) 16 Dish most men find tempting 2 Athlete taking drug in Kentucky presumably (4.5) 3 Arranges books (6) 5 Tiny part of first half of the alphabet (4) 01-427-0333 -02-035 -03-040 -03-040 -03-040 -14-042 -14-042 -15-040 -1 1111111 Bailing Thus. 2014d. (Thur. Prices Bryano Shipley & Co. 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Brestonia Emir General Trans. 21.7 227000 bashey 2077 221010 Procest State Unit Trans. 102-6 194 -2.0 1.24 Hamburus Bauk Unit Trans. 102-6 194 -2.0 1.24 Hamburus Bauk Unit Trans. 102-6 194 -2.0 1.24 Hamburus Bauk Unit Trans. 102-6 194 -2.1 1.26 Hamburus Bauk Unit Trans. 102-6 194 -2.1 1.25 Hamburus Bauk Unit Trans. 102-6 194 -2.1 1.25 Hamburus Trans. 102-6 194 -2.1 1.25 Hamburus Trans. 102-6 194 -2.1 1.26 Hamburu 15 The over custody (4) 16 Dish most men find tempting (10) 19 Soldiers who leave behind renegades (6,4) 20 Embryo fliers who attract some scoffers? (4) 23 Artist making young animal sit perhaps (6) 25 Keep quiet about what watter has to do (8) 27 High praise once spread by mother about one (8) 28 Forsake solitude (6) 29 Seen to vacillate without (sans) good reason (8) 30 Fisherman getting position right (6) 11 Takes in by tacks (7) 14 Give space to accomplishment on water (7) 17 Soothsayer fit to predict rosy prospect? (5,4) 18 Chap following tage to become a journalist (8) 19 Liberary devil (7) Hamburg Fresh 1977 6 Hamburg Bank Unit Tresh 19 Hatter Bank Unit Tresh 19 Hatter Bank Unit Tresh 19 Hatter Bank Unit Tresh 19 Hamburg Bank Unit Tresh 19 Hamburg Bank Unit 19 Hamburg Tresh 19 Hamburg Bank 19 Hamburg

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21 It may be worn by tyrannical employer (7)
22 When bird gets behind (6)
24 Writer conservative to a degree (5)
25 Trees that appear over-smooth

The solution to last Saturday's prize puzzle will be published with names of winners on Saturday April 16.

DOWN
1 Mutilated fish shed gore (?)

19.7

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Financial Times Tuesday April 5 1988

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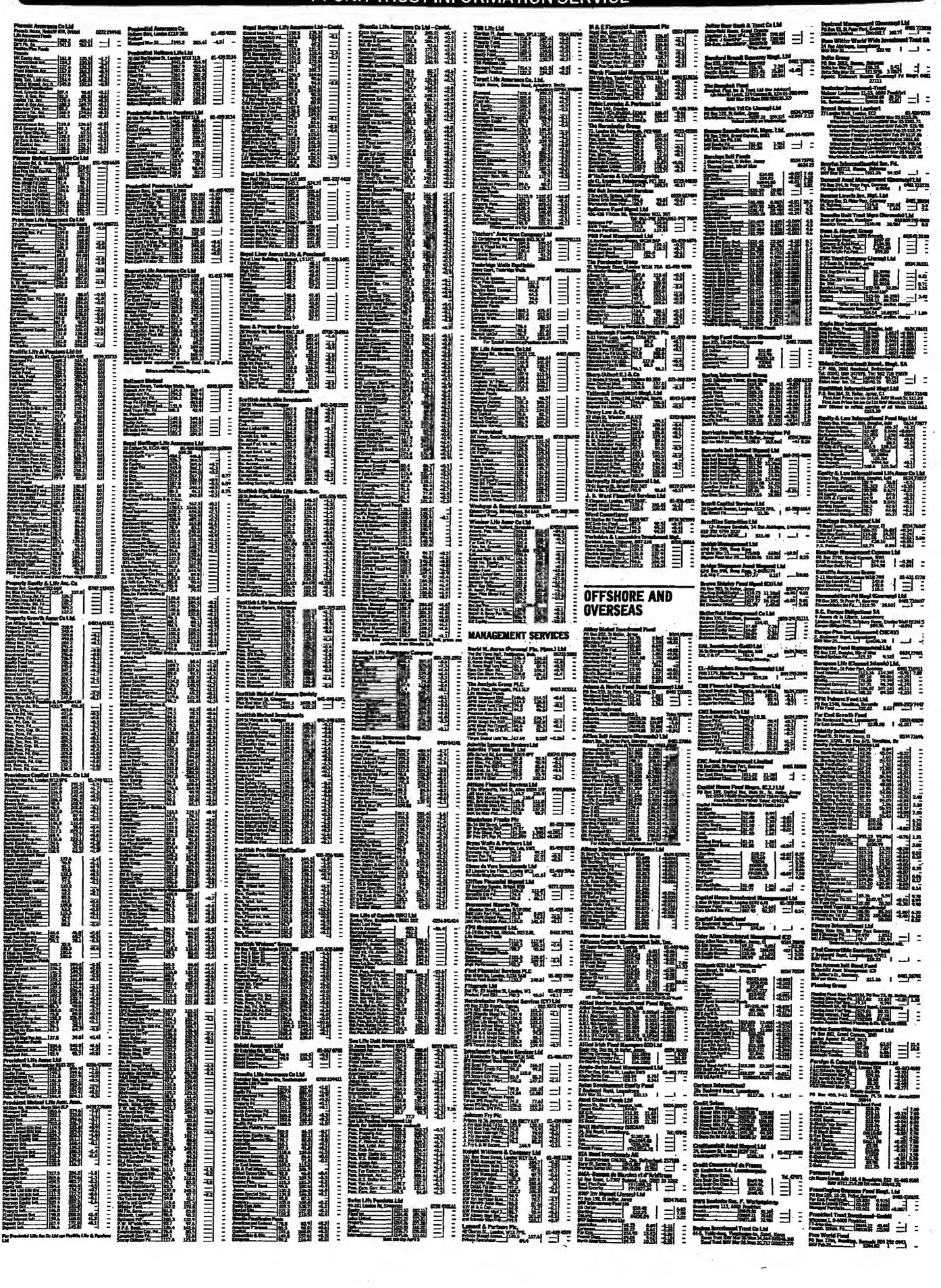
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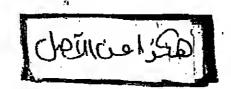
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#### **Humberts** Leisure

ESTABLISHED SPORTS AND LEISURE CENTRE

South of England

9 hole golf course and driving range. Her, restaurant and function mite, 3 squash courts and sports hall. Heated indoor swimming pool, Excellent farmhouse and 5 bed house Substantial profit with further growth

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The business and assets of the above Company are available for sale as a going concern. The Company manufactures sports clothing and workwear and operates from leasehold factory premises in Taunton.

~ Turnover approximately £1 million -80 employees -household name customers

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All enquirles should be

By Order of the Joint Receivers R Robinson Esq F.C.A. FLPA, and I Clark Esq FLPA. re: J.P.S. Engineering (Chesterfield) (dd DERBYSHIRE (Close Mr)

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Offers are invited for all available rights to the Company's product - a board game known as EMLYN HUGHES TEAMTACTIX Please reply in the first instance to: Kelth Goodman FCA

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Mechanical Engineering Company. £5m sales, £1.7m net assets. 197 employees. Good growth potential. Experienced Management, Broad range of complementary products, established end well respected marketing operation, Recently consolidated manufacturing on to attractive 6 acre freehold site. In need of capital Injection. West Midlands. Managing Director will continue if required. Principals only. Write Box H3301, Financial Times, 10 Cannon Street. London EC4P 4BY

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We are a new and ambitious Marketing Communications Group

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We are a medium sized, diverse fully listed PLC. We have expanded significantly over the last few years through a policy of both organic (songanic growth and are looking to continue with this strategy.

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#### Small Alarm Co for sale with good rental Income due to non-compatibility present operations. Woo particularly suit compan

dealing with property anagement and protection Keen price for quick sale. Write Box H3317, Financial Times, 10 Cannon Street, London EC4P 4BY

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London Based Insurance Group, Established 10 years. FIMBRA Registered Financial Services. Plus balanced. Portfolio of general business. Brokerage £300,000 + Write box H3314. Pinancial Times, 10 Camon Street, London EC4P 48Y

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#### **LLOYD'S INSURANCE BROKER**

INDEPENDENT LLOYD'S BROKER WISHES TO **EXPAND BUSINESS BY ACQUISITION OF** COMPANIES OR TEAMS.

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Group with a very successful background of growth and acquisition seeks further opportunities.

We are particularly interested in companies with a pretax profit in the range of £100,000 to £1,000,000 in the following fields:-

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We will consider purchasing either a majority stake or 100% and would like existing management to join our team.

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wishes to acquire electronic equipment manufacturing сотралу Turnover £2-5m Profits £100-300K

Write Box H3298, Pleanciel Times, 16 Cannon Street, London SCOP 45Y

#### RAPIDLY **EXPANDING PLC**

Wishes to acquire cash rich companies. Write to Box H3307, Financia Times, 10 Cunnon Street, London EC4P 4BY

### **CONTRACTS**

#### Road network progresses at London Docklands

A £26.3m contract for the Royal access to London City Airport,
Albert Dock Spine Road has been was completed last October, in
awarded to KDMUND NUTTALL time for the airport's opening by

The road will be the major east/west link between the Connaught Crossing and the Eastern Gateway Access Road, serving developments on the north side of the Royal Albert Dock. The dual two-lane road will run south of and parallel to Strait Road along the full length of the Royal

Intermediate roundabouts will serve the area and, in two cases,

gle-lane swing-bridge between the Royal Victoria Dock and King George V and Royal Albert

awarded to EDMUND NUTTALL representing the largest single intrastructure contract let by the LDDC to date. The 27-month con- II - is scheduled to start in June. This will complete the new four-lans north/south link between North Woolwich Road and Fac-tory Road in the south, to Con-naught Road and the new Royal Albert Dock Spine Road in the north. The scheme is scheduled

for completion in April 1990 at an overall project cost of £24m. CEMENTATION CONSTRUC-TION has won a £6m, 15-month contract to construct about a kil-

serve the area and, in two cases, allow for integral stations on the proposed eastern extension of the Docklands Light Railway.

PETER BIRSE has won a place on the north side of Royal Victoria Dock, will allow development to take place on the north side of Royal Victoria Dock, and includes hard victoria Dock, and includes hard landeraning refurbighted. the Connaught Crossing. The 24- and soft landscaping, refurbish month contract has started, and ment of the western end of the involves replacement of the sin- dock edge and improvement works around the listed W Warehouse

The fifth contract, for Phase I Docks. A new four-lane steel of the Conclear scheme to pro-swing bridge, with concrete vide internal roads on the south approach viaducts to the north side of Royal Victoria Dock, has swing bridge, with concrete approach viaducts to the north side of Royal Victoria Dock, has and south, will be constructed with a clearance of 5.5 metres, allowing small boats to pass underneath.

The contract for Phase IB of within the dock area to roads in Connaught Crossing has been let

### It's better built by Monk'

A. Mont. Suitabug & Cityl Engineering Limited P.O. Box 43, Wantagins, Cheshen WAI, 4,18 Telephone (1925) 612000

#### York store for M and S

WIMPEY CONSTRUCTION UK has started work on a Marks and Spencer superstore at Piccadilly, York, for Wimgrove Develop-York, for Wimgrove Developments, a subsidiary of Wimpey Property Holdings. The store is due for completion in September and will open for trading early in 1989. The 3.900 sq metre development is adjacent to, and links into, the existing store in the Wimpey Property Holding's Coppergate retail and shopping pergate retail and shopping development. Valued at £1.5m. the contract involves the erection of a three-storey atore with offices and a plant room on a fourth floor. The building will be of steel frame construction with brick elevations, clay tile roof, aluminium windows and in situ concrete bases on piled founda-

A.H. GUEST has been awarded contracts worth nearly £3m. They include a £500,000 contract for old people's homes at Stourport-on-Severn for Wyre Forest District Council; a factory extension for Bird Stevens, at Brierley Hill, West Midlands; a school conversion scheme for Central Birmingham Health Authority. Pice Group 2p
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Hawtin 0.325p
Hoosysteld 2p
Johnson Fry 1.5p
Jones, Groud 2p
London International 2.08p
London Shop 2.25p
Londro Shop 2.25p
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Maccarity 7p

Mecanity 7p
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Oo, 101-pc Cum Pri 5.25pc
Metimore 8.75p
Mengenese Bronze 2.28p
Menshalls Halliax 2p

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Scottlish National Tet 1.3p Sacurigated 3.3p Shell Trans 5½pc 1st Prf (Cum) 1,925p Soundarata 1.2p Television South Sp Trusthouse Forts 5.57p United Scientific 4.2p Whitehard Spc Une Ln Willoughly's Cone 2p Willoughly's Cone 2p Willoughly's Cone 2p Willoughly's Cone 2p Willoughly's Cone 2p

COMPANY MEETINGS-

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Brunner Inv Tet 1.5p
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Wayne Kerr DIVIDEND AND INTEREST Astronom Bros 3,75p

Auronson Bros Bradatock 1.0p Brusser inv Tet 1.5p

Courie (T.), Sesturn Hotel, Queens Parade, See-burn, Sunderland, 12.06

Bickenbill, Solitori, Weet Midlends, 12:00 Pacific Sales Organization, Ebbgetz House Swan Lune, E.C., 11:00 BOARD MEETINGS

Microgen 4p Microgen 4p Mid Wynd Intil Inv That 1,3p Microstielgh 1,28p

#### DIARY DATES

POARD MEETINGS-BAIT & Wellace Arnold Trust DIVIDEND AND INTEREST PAYMENTS— Burtonwood Brewery 7po Cun Pri 2.45p Electronic Data Processing 1.45p General Cons Inv Tet 11.3p Saleys 1.2p

TODAY
COMPANY MEETINGS—
Jourdan (Thornas), Station
Lane, E.C., 11.00
BOARD MEETINGS—
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Gellikord 0.7p
Gestelow 2pp
Gering Kert 8.15p
Grandie 6.3p
IC-25p
Laryett 1p
M & G Australanien & General Fund 0.45p
McAlphre (Athred) 11.8p
Metropolitan Webs Grand Jenetion Wester Works
3pp Deb 1.5pp
McAlphre Middiover Weber Works 3pp Deb 1.5pp
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Nation Opex 20
Pilver & Mencanille 194 1.77p
Plomstry Tet 2.85p
Scottish American Inva 0.66p
Secont Alliance Tet 7p
Do. 4-2pc Cam Pet 1.570p
Securior 0.814p

#### Trade Fairs and Exhibitions: UK

April 26- May 2

(01-439 0501) - SIMTOS

International Construction & Material Exhibition - CON-

April 11-15 International Fire & Security Exhibition and Conference -IFSEC (01-446 8211)

London Secretary Show (01-727 siness Design Centre, Lon-

April 17-18
Northern Retail Chemists' Exhibition - NORCHEM (01-262 2886)
G-Mex Centre, Manchester

April 26-28
British Electronics Week (0799
Clympia **Overseas Exhibitions** 

April 5-11 Anglo-Jordanian Trade Fair (01-409 0766) International Consumer Goods Fair (021-455 9600)

April 16-24 International Trade Fair (01- 637 Milan STRUCT (01- 236 2399) April 19-21

International Trade Fair for Clothing Textiles - INTER-STOFF (01- 734 0543) Frankfart

#### International Spring Fair (Technical) - HNV (021- 454 3385) Budapest **Business and Management Conferences** April 6-8

technology (01-773 3661) IBC and Information Intel: Information for profit - on-line infor- April 11
mation for the business decision- Hawksmere: Music royalties (01maker and user (01-236 4080) 824 8257)
(Conference and exhibition sponsored by the BIM, CIMA, DTI and the ICAEW)

April 12-18 ored by the RIM, CIMA, 1711 and he ICAEW)

April 12-18

Queen Elizabeth II Conference: Financial Times Conferences: Centre, Westminster The Newspaper industry - a per-

Department of Trade and Indus-Hotel Inter-Continental Lontry: Profit through materials

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there have been no changes in the details published

#### FINANCIAL

De. "A" Non-Mg 0,814p Oe. Signe Came Pig Pri 18,82p Security Partic Corp 5198.46 Security Services 1,507p Sinciale" (Wilden) 2p TACE 7p TR North American law Tat Spc Cam TSB 2,5th TR North Arms.
TEB 2.50p
Tavaner Rubedge 1.25p
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Tensus Dute in Throgmorton Dute in Treasury Spc 1.5pc Do. Spc Ln 2002-06 4pc Do. Spc Ln 2002-06 4pc Inched Scientific 5.5pc Cnv Cure Non-Vig Red Prince Lnd Deb 17-pc United Scientific Edge Chy Care
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Sun Alliance & London in Tellos Wilson (Connolly) Wilson (Market) (Mark Anglo-Indonesian & 125p Argyle Trust 3p Ashteed 1.1p

Sumpton Property 7-spc Une Ln 1991-86 37-pc Barnyton (Sidney C.) 2-1259 Bartour Index 2p Barolays 12-759 Barr (A.C.) 8-759 Barr (A.C.) 8-7

Continuing Industries Tipe Cuse Pri 5.5pc Colour (E. Alec) inve tipe 1et Mig Deb 1987-92 4<sup>3</sup>zpc A-pe County Props "B" 2.9p Crosby (James) 0.5p Date Group 1.5p Datepak Foods 0.8p Dolphin Packaging 1.2p Egerton 7st 3.5p

Goodbead Print LSp
Hailtars Suliding Society Fing Rate No.
5193.44
Holmee & Marchandt 2.7p
Impale Platfram Gots
Joe Hidge 1.05p
Korshaw (A.) 13.75p
Do. "8" Pri (18 1pp Non-Cum) 1.90675p
Klainwort Charter Inv Tat 2p
MLL Hidge 0.05p
Mannier-Sewan 1.2p
Parsonal Computers 1.5p
Porter Chadburn 0.22p
Rank Organisation 14.5p
Ransom (William) 0.44p
Ransom (William) 0.44p
Ransom (William) 0.45p
Transcontinered Services 3.57p
Transcontinered Services 3.57p
Transcontinered Services 3.57p
Transcontinered Services 3.57p April 18-21 International Fluid Power Exhibition - IFPEX (0895 58431) NEC, Birmingham April 19-21 International Tunnelling Exhibi-tion - TUNNELLING (07072 23176)

Transcondings Services 3.57p Transcood 0.5p Tribuse Inv Tat 2.65p United Kingdom Fits Rate Na. 1982 \$180.1 Waste Management Scie tragement Scie der & Gountry Prope 1.5p

· Novotel, London

FRIDAY APRIL &

COMPANY MEETINGSAlexanders Holdings, 154 Fountalebridge, Edirburgh, 12.00
Bedford (William), Merchant's Hall, 46 Esset
Road, N., 10.00
Guestal, Creat Hosel, Black Prince Interchange.
Scuttwold Road, Bestey, Kert, 10.20
St Modwon Props, Ironmongery' Hall, Berbicer,
E.C., 12.18 International Machine Tool Show International Vehicle Industry Suppliers Exhibition - SITEV

Brown Boveri Kent Canning (Wm.) Daniels (S.) Intl Inv Co. Jersey Interime: First Chicago Corp DIVIDEND AND INTEREST PAYMENTS-Schannia Building Society Fits Rate Nie 1998 1229.89

D20.06 Cantributy A.Sg Country Side Prop. 1.59 Country Side Props. 1.59 Country Side Props. 1.59 Country Carterines 0.30p Do. Non-Vrg. "A "2p Cray Bectronics 0.30p Domino Printing Sciences 1.7p Eurothern 105 4.25p Fleming American Inv Tat 1.0620p Harvey & Thompson 3p Hodgeon 1.5p

Nationwick £114.22

Exist 0.5325 Scottish Eastern Inv Tot 614.pc Red Date 1265-60 214.pc

London Wi Private 8.7p
Practical Irvs 1p
Practical Irvs 1p
Prese Tools 1p
Rectus 3p
Ricardo Comuning Engine
Schizmberger 2nds spective on the next five years cardo Communios chlumberger 30ch (abb (Joseph) & 1313p don W1 Who Group 1.1p

Wyko Group 1.1p

SATURDAY APRE 5

DIVIDEND AND INTEREST PAYMENTS—

#### West Sussex ntancy practice for sale. Five contracts, totalling more to NORWEST HOLST at a value **DESIGN AND PRINT COMPANY** than £47m, were let last month of £1.85m. The 39 week contract than £47m, were let last month of £1.85m. The \$9 week contract, for new roads in the Royal Docks, which has started, will link the by the London Docklands Development Corporation (LDDC). The condendation of Company Road Early construction of an adequate road network is essential if IA of the Connaught Crossing the area is to be developed rapidly. Norwest Holst, which provides access to London City Airport. ST. IVES, CORNWALL The husiness and assets of Dowrick Design and Print Limited are offered for sale.

EY CONSTRUCTOR A CONSTRUCTOR A

## Je Lin Lind

#### WORLD STOCK MARKETS

AUSTREA Herch 31 Sek + er - Creikanstalt 2,000 -10	FRANCE   Name   1	FERNIARY County  Harch 31  Hoetest	Dat. + or - 182	THERLANDS Counting of the second	s. + 8r	SWEDEN (continue March 31 Sup Envilds	Kromer + er -
Source	Actor	Hoeselt Werke	H	diod	25.00 +0.5 16.20 -1 16.00 +2 1.60 -0.1	SKF	124 -3 570 -2 537 -4 102 -2
Launderbenk   355   +15	Bill (Cert.law.) 229 +1 Bongrain 1895 +20	Kantak		Nillips	260 -16 320 -0.4 300 -0.2 6010 -0.1	Svka Handelsbn Swedish Match Volvo O (Free)	102 -2 139 -2 335 -2
DELETURAL LICENSOCIES  HEREN 31 Frs. + er -	BSN Gervais	Kioeckoer Werke	148.3 -1.7 Rg	Kinco Minimum 82 rento Minimum 54 Nal Outch 22	.40 +0.4 .60 +0.1 9.50 -2.2	SWITZERLAND	fri, + er -
8.9.L	Coftrace	Managemen	124,3  -1,2   VI 530  -1   VN 266   48   W	#F Stork 177	930 -22 30 -02 100 +05 150 -08	Adia inti	7.025100
Bank let. A 13,250   20   20   20   20   20   20   20	Damert   1,870   -17     1,870   -17     1,870   -18     1,870   -18     1,870   -18     1,870   -18     1,870   -18     1,870   -18     1,870   -18   1,8	Moreck Rueck Nixdorf	1 980 -70 W	olters Klewer 12	7,80 1-3.5	Brown Boveri Citta Gelgy do. (PtCts)	1,990  -10
Definite 4610 +70 +70 +70 +700 +5	Fethor 12 000 1-11	December 1	265 162		9007 + 9r -	Credit Suisse	1.850 -5 2.250 -40 3.675 -50 825 +20 103.500 -1.750
F. Fabrique Nat.   780   -1.8   68 mm 884	Sen Occidentate 629 44 Names 500 -15 Idential 150 -0.6 LVMH 1,759 -20 Laferge Coopee 1,085 -10	Siespens	272 -02 B	rgeses Back	60 -2 8.00 +0.5 0.00 +7.5 7.00 -1	Hoff-Rocke 1/10 Inspectorate int Jacobs Sustand Jelmoil	163.500 -1.750 10.375 -200 2.150 -30 8.900 -25 2.175 -25
	Lafurge Coppes 1,085 -10 L'Oreal 2,738 453 Lagrand 2,336 -2 Malsons Pixelx 45 Matra S.A. 143 +3	V.E.W. Verein-West Volksaragen	164 -0.5 De 346 -15 EM	n Norske Credit 10 tem	5.00 +1 5.50 +9 5.00 +17.5	Landis and Gyr Nestle	8,456 <del>9</del> 6 880 +20
Petrofina 11 075 -100	Midl (Cle)	TTALY April 1	Kv.	rsk Outa	6.00 2.50 -2.5 00 +12 4.50 -3.5	Pargesa Hidg Pirelli Sandoz (Br) Sandoz (PzCss)	112,000
Royale Beige	Parihas	Basca Com'le	2,249 +13 Str 260 +4	kla Borreguard 40 brebrand	6.00 +10.5 50 -0.5	Schiegler (PtCts) Sita Sarvellasce	595 -10
Tractable 6.690 100 UCB 8.250 150 Wagons Lits (930	Perrier 552 +2 Perspect S.A. 919 Printengs At 381 -2 Radiotech 789 +12 Redoute 22,026 +2	Credito Italian	9.280 +60 57	ADI	% +ar-	Swiss Bank Swiss Bank Swiss Releace Swiss Volkshk	4.250 -50 1.085 -25 331 -11 13.000 -500 1.500 -20 3.020 -20 5.090 -60
BERNARK Harch 30 Kr + er -	Financei-Uctaf	La Riseaceste		nco Glibao	95	Union Bank	3.020 -20 5.090 -60 5,550
Baltica Hidgs 448 48	Theoretic Elect	Pirelli Spa	2616 +10 Bar 2200 Bar 2186 +35 Bar	nco Hispano 84 aco Popular 1,7 aco Santander 1.1	05 75 +2 .	SOUTH AFRICA March 31	Rassi + or -
". GRI NOIGIUS		HETHERLANDS	Dra Hid	rola10		Abercem	21 -0.05 10 +0.25 93 -2
1.5.5.6 System	GERMANY  March 31 Bm. + or  A66	ACF Holding	Pet	roleos		Angle Are Coal	33 52 +1.75 250 +8 19.65 +0.15 53.25 +1.25
Superios 12,100	AES 252 +8.1 Alliage A6 1.347 +5 BASF 245.5 +0.7 Bayer 263.5 -1 Bayer 1590 253.5 -1.5	ABN	39.50 -0.5 SW	EDEN rch 31 Kra	Der + 0r -	CNA Gailo	5325 +125 575 +025 37 31 +115 3475 +175
March 30 Min + er - Arner 202.5 +3.5 Finish Sagar 81.25 +0.9 FOO 55.25 -1.25	Bayer-Hypo 363.5 -1.5 Bayer-Verein 346 +1 345 -7 GMW 503 -1 Grown Boveri 509	Buehrmagn-Tet Dordtsche Petrolene	- 93.50 -0.4 Alf. - 43.90 -0.4 Alf. - 203.50 -2 ASE	A (Free) 18 3-Laval 34 EA B (Free) 34 rs 9 (Free) 20 as Copco 170	11	First Nat. Bank	31 +0.25 32 +0.5
Kone 251 +3	Cont'i Garnel 245 -2 Dateller-Beaz 638 -3	Fokker Gist Brocades Heineken	24.30 -0.4 Atla 32.00 -0.1 Elec	SSOR 23		Malcor Hidgs Nestrank OK Bazzars	4.85 +0.13 16 5.5 -0.1
Roble	Drestsche Bank   403.5   -3.2   238.5   -2.5	Hunter Danieles	116.70 I=0.2   Pha	Och Domijo 320 Juniacia 157 b-Scania (free) 181	: I I	Rembrandt	1115 33.4 +1.9 19 -0.75 17.75 +0.1
Uni. Paper	Felomuchile Mobel	5 KNP	138,00 +0.5 Sea 138,00 +1.5 Sea	rick 18	+5 -1 -1	SA Brevers Smith (C.G) Tongant Huleti	13 -0.75 17.75 +0.1 35.75 10.1 -0.05
JAPAN Agel 4 Yes + or -	April 4 Yes + er	- Apdi 4		1 4 Y		AUSTRALIA (continu March 31	neil AustS + or -
Alisomete	Jesto	Nippon Kokan Nippon Lt Metal Nippon Meat Pak Nippon Mining	701	4.4  in	20 -40	Midden Cold	4.50 12.90 -0.4
Amano	Kalen Pharm 1.630 +20 Kambo 592 +7 Kanegarinchi Cirm 1.060 +30 Kansai Elect, pw 2.920 -10 Kansai Paint 647 +14	Nippon Road	- 1290  -10   Told	1.2 0	20 -10	Mar. Aust., Hank	11.15 1-0.07
Arabias 011	Kaskiyama	Nippon Shimpan Nippon Shimpan	805 4 Tok	to Marine	60 -40 60 -40 70 -20	Pancost'l	9.34 +0.01 4.06 -0.06 1.90 -0.02
Back Tokyo	Kinki Elect 2.880	Nippon Serisan Nippon Yusen Nishintatsu Cons Histan Motor	665 +10 Tok 621 -7 Tok 718 +3 Tok 975 +5 Tok	yo Cas 2,9 yo Cas 1,1 yo Rope 1,5	70 =	Pioteer Conc Piacer Pacific Poseidon Queensland Coal	2.74 -0.02 1.75 +0.05 2.40
Caipis Food	Koknyo 3,260 +10	Missel Sangyo Misshia Flour Gisshia Food Nisshia OII	1 380 Tolo	ro Car	0 +10	Smith (H.) Thes flatwide	4.30 +0.05 3.50 4.38 +0.06 9.70
Canon Sales 3,400 1,260 +20 Central Glass 729 -1 Chbada Chen 700 +15	Kutota	Nisskinto Nitto Boseki Houtwa	. 1,290 +30 Tora . 575 Tosh	810 hip Elect 777 hip Mach 538	1	VA:11985	2.75 +0.05 5.46 -0.12 5.70 -0.08 1.64 +0.01
Chubs Elect Put 2,900 1,700 1,700 593 42	Kurragai 934 -17 Koraray 1620 440 Kureku Chemicai 1290 440 Kyotaru 1850 50 Kyotaru 5,390 -60	Odakyo Elec Riy	970 +4 Toyo	Construct	45 43	Woolworths	2.90 +0.1 1.82 +0.02
Oaldo Steel	Lion	Oil Paper Oil Electric Stoma Mach Okumara-Gami	911 +1 Toyo	Soda	1-7 10 1-20 1+23	Barch 31 Bank East Asia	16.80 + 87 - 16.80 +0.2 7.00 +0.05
Dailye Kanto 2,960 +20 Dai Nippos ink 820 +5 Dai Nippos Pre 2,570 +20	Marken Milling 855 +15 Marken Elect Wr 1890 +10 Marubesi 1850 +10 Marubal Food 1350 +10	Oboda Ceinent,	1.460 +30 Was	145 455 07 245 08 114	10 H20	heung Kong bina Light	7.45 18.80 +0.1 0.32 -0.01 4.77 +0.05 33.25 +0.75 -
Daiwa House	Marisu Elect. Trd	Penta Ocqua Cou	861 411 Yam	alchi Sec	0 10	lang Seng Back lenderson Devel, longkong China	4.80 +0.03 16.10 +0.2
Elsai	MEI	Ricold	lass Las   Vani	ato Trans 1.42 azaki 1.58 da Fire 1.13 kawa Elect 650 hamb Rubber 651		K Land K Shanghai Bank K Shanghai Hotels	7.80 +0.1 7.25 3.92 +0.02
Full Bank 3420 30	Misawa Hornes 2,010 +20	Sankyo	1230 30 Years	a Battery 1795	030	odist Equity P	3.25 -0.05 9.86 -0.15 12.30 +0.3
Faji Film	M'bishi Corp	Sarrio	1816 +10 Marc	h 31. Austi	+ 07-	HK Props	9.75 +0.1 9.96 1.14 +0.02 17.20 +0.1
Fundama Elect warm 1865 +5	M bishi Estate	Seitisul Chem Seitisul House Seitisul House Seitisu Paperbrd	1,400 +20 Adeta 1,900 +30 Amex	1.08 5.80 5.80 7	-0.07	Wharf Hides	14.10 -0.1 6.80 +0.1 8.25 +0.25 3.25 +0.03
	M bish Paper	Seven-Eleven Sharp Shimizu Coast Shin-Etso Chara	17,600 H40 Aria	toe Aust	-0.02	INGAPONE erii 4	
Hatturi Seikn   2,090   440   140   140   1570   140	M bishi Warehse, 3,620 -10 M bishi Warehse, 1,570 -10 M kısıi Bank	Shippida	2016 -20 ANZ 1.730 +30 Bell 722 +14 Bell	Group	-0.15 -0.02	erebos Pacific	1.14 +0.01 4.60 -0.02 3.96 -0.06 10.00 +0.05
Hitachi Cable	M Hsul Co	Showa Denko Snow Brand Milk Sony Stanley Electri	5,120 -20 B'vil	5.95 le Copper 3.35 shies inds 9.10 pe 011 0.84	12.07	enting	8.15 3.96 -0.04 2.76 -0.05 2.44 -0.04
House Food Ind 529 47	Mitsutosti	Senitono Bank	890 45 BHP 597 412 BURE 940 -11 Bure	Sold	-0.05	chcape Bhd	4,14 -0,08 2,00 -0.05
Indi Bank Japan 3,670 +30 betan 1510 +30	Mizono Scorting	Samitomo Corp	1,660 +20 CSR Clumb	6.60 3.75 Corp	+0.05	U9 hamman	1.44 1.39 1.18 -0.16 1.18 -0.03
1735   144   150	NGK Insulators 1,070 +18 NGK Spark Plug 1,270 +30 NTM Toro Brg 640 +7	Suraltomo Met in Suraltomo Met Mng . Suraltomo Realty Semitomo Tr & Bk	1340 -10 Costs	Myer	-0.12	legapore Air	10.90 -0.1 1.40 -0.05
tosiCD	#6K Insulators	Taisel Corp	ALC: U	7 DCL			2.96 1-0.06 1.76 1-0.02
Janes Radio 1 360 430	Hippon Express 1.170 +10 Nippon Gekki 2.350 +50 Nippon Hodo 3.430 +80	Talsho Pharm Talyo Fishery Talyo Kobe Bank Talara Shuzo	510 Harts	9cn Energy 1.78 st 5.26 trial Equity 1.65	+0.03 -0.04 +0.04 -0.2 +0.03	OTES — Prices on this  the individual excha aded prices. (a) array spended, ad Ex dividual and array spended, and ex dividual and array spended.	page are as quoted siges and are last silable, if Deallings fend, at Ex Serio
Jupan Streil Wis	Nippon Corps. 1220 +20	Taketa	3,020  +10   Jones  2,580  +20   Kla Q	(Charles	1-02 1-003	sae. ar Ex rights, on rower	Ex all. * Price in
4		IND	CES				
NEW YORK	OW JONES		J_J		P		
Mar. Mar. Mar.		Since compilation		Mar Mar 31 .35	29 29	High	Low
31 35 29 elemetrials	28 Hbph Low   34 1979.77 2722.42 1738.42 (25/6/87) (19/19/87) 6 89.75 95.51 61.26	High Law 2722.42 41.22 (25/8/87) (27/132)	AllSTRALIA All Ordinaries (1/1/80)	1/05.6 1/16.5 690.3 694.9	1396.0 1380 689.8 681.0		1151.0 (11/11/87) 532.4 (10/2/88)
Nome Squds	19/2/87) (19/10/87) (19/10/87)	1101 16 12 92	AUSTRIA Credit Akties (30/12/84) BELGIJIM	17273 17143	170.16 170.5		163.98 (11/2/88)
Utilities 171.47 171.29 172.9 40ay's High 2000 66 (2017.57) Low 1957.89 (19	(22/1/87) (19/10/87)	0.48/87) 03/7/32) 227/33 10.50 022/1/87) 08/4/32)	Brussels SE (1/1/84)  DEN MARK Copenhages SE (3/1/83)	. 4839.6 4656.2	4852.8 4886 192.32 (r		3503.8 (18)12/87) 129.60 (20)11/87)
STANDARD AND POOR'S 258.89 258.07 260.00	ntara e I ser a I ser en I	336.77 4.40 25/0/877 0/6/32	FINLAND Upitas General (1975)	. w 627.0	6257 633.2		425.2 (5/1/67)
Maritials	7 25.06   C25.06.07   W12.06.07   W12.06.07   W12.06.07   W12.06.07   W12.06.07   C25.06.07   W12.06.07   C25.06.07   W12.06.07   C25.06.07   C25.06.0	336.77 4.40 05(887) 0.6520 38.37 23.62 25(887) 23.632 32.43 6.64 05(887) 0.00(74)	FRANCE CAC Sengral (31/12/82) led. Tendance(31/12/87)	284.1 287.5 101.6 102.2	285.3 287.1 102.0 101		251.3 (29/1/80) 89.7 (29/1/88)
NYSE Composite 146.60 146.22 147.2 Ames Mis. salae 296.43 293.67 294.3	2 146.11 187.99 125.91 (25/8/87) (4/12/87)	187.99 4.46 (25/8/87) (25/4/42)	GERMANY FAZ Aktien (S1/12/58) Commerzbank (1/12/53)	451.4 453.12 1377.5 1379.7	450.87 440.97 1374.0 1341.1		396.40 (29/1/88) 1207.9 (29/1/88)
NASDAQ OTC Comp 374.64 371.78 372.90		(13/8/87) (9/12/72) 455.28 54.87 124/8/87) (31/10/72)	HONE KONE Hang Seng Bunk (31,77,64)	2543.97 2528.92	2521.61 2466.7	1	1894.94 (7/12/87)
Mar. 25 Dow Industrial Div Yield 3.53 Mar. 23	3.35 3.54	year age (approx.) 2.86 year ago (approx.)	ITALY 4 Banca Com, Nail (1972) JAPAN	512.75 517.51	505.62 504.79		423.91 (9/2/88)
S & P Industrial div. yield 293 S & P P/E ratio 15.39	294 295 15.35 15.41	2.58 20.82	Hilder (16,6,49) ** Takyo SE Hew (4/1,68) *	26260.26 26320.67 2147.90 2153.66	25953.09 25622.7 2121.41 2097.2	71 26646.43(14/10/87) 9 2258.56 (11/6/87)	18544.60 (13/1/87 1557.46 (13/1/87)
TRADUIG ACTIVITY 1	Volume AFW V	Mar. 29. Mar. 28	NETHERLANDS  ANY-CRS General (1970)  ANY-CRS Industrial (1970)	240.8 243.5 200.0 201.7	240.3 256.4 198.2 195.2	334.1 (14/8/87) 280.8 (11/8/87)	192.2 (10/11/87) 147.5 (10/11/87)
New York 139 870 151 810 152	Rises	467 1,104 482 416	NORWAY. OSIO SE (4/1/83)	⊔ 397.69	392.81 384.95	992.04 (21/9/87)	307.48 (10/11/87
	984 New Highs	14 3	Straits Times and, G0/12/66). SOUTH AFRICA	925.8 930.00	919:30 925.20	1	700.4 (7/12/87)
CANADA Nar. Mar. 30	Mar. Mar. 1 29 28 High	1967-66	JSE Gord (28)9/78) JSE Industrial (28)9/78) SPAIN 0	1353.0 1314.0 1499.0 1495.0 <sub>1</sub>	1300.0 1274. 1486.0 1489.5		1212.0 (29/2/88) 1367.0 (12/2/88)
Mirrais & Minerals 2650 1 2635.3 Composite	2562.0 2700.2 3567.5 (5)10/87 3293.1 3270.0 4112.9 (13/8/87	1 1988.2 (2/1/87) 1 2837 0 (28/10/67)	Madrid SE (30/12/65) SWEDEN	<i>ω</i> 276.91	26937 2693	<del> </del>	201.08 (4/12/87)
NEW YORK ACTIVE	1631.01 1621.40 2224.77 067/85 CTOCKS	7) 1435.94 (26/10/87)	Jacobson & P. (31/12/56) SWITZERLAND Switz Rook Int. (31/12/56)	511.1 514.0	512.5 498.6		2068.6 (10/11/87) 450.9 (10/11/87)
NEW YUKK ALIIYE	310019		Swiss Bank Ind. (31/12/50) W081.0		778.0		r waj 14/0//
· Stecks Electing Chi	enge Stacks day traded		M.S. Capital Inc. 0/1/70	.   W   451.2	450.0 445.4	495.9 (27/8/67)	361.3 (2/1/87)
Sects   Closing Ch   Teuriday traded prize on   Brazil Fund	trains   1,561   1,664   22.   George Floring   1,464	900 42 + 5 900 27 + 5	M.S. Capital Intl. (1/11/76)	1/4/88: 516.64 † Az 26104.22, 2/4/88:	needed at source 26329.07, 4/4/8	8: 26335.29	<u> </u>
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#### **CANADA**

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#### OVER-THE-COUNTER Nasdaq national market, closing prices

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### NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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## NYSE COMPOSITE CLOSING PRICES

### AMEX COMPOSITE CLOSING PRICES

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**WORLD STOCK MARKETS** 

#### AMERICA

## Half-hearted rally runs out of steam

#### **Wall Street**

A HALF-HEARTED rally in equities yesterday morning, as bond prices slumped, lost steam and both bonds and equities ended the economy yesterday which, on lower on the first trading day the whole, showed signs of ecosince the long Easter break, nomic strength.

writes Janet Bush in New York.

The Dow Jones Industrial

Average closed 7.46 points lower at 1,980.60. Volume was high with about 183m shares changing go ex-dividend.

The index had rebounded to a

However, by late trading, bond However, by late training, built prices had clawed back some the dollar and nervouscent benchmark 30-year issue ness about trade legislation being company must pay \$192m in many must was quoted 1½ point lower in late business to yield 8.86 per cent. Its price managed to hold just above per at 100½.

MARKETS in Europe and South Africa were closed yesterday, except for the Madrid Bourse hands, but dealers noted that a great deal of this activity revolved around stocks about to go ex-dividend

The index had rebounded to a gain of 15 points in morning trading but then drifted back for the rest of the session.

The gloom in the US bond market deepened as prices slumped by as much as 1½ points in reaction to Friday's news of a 262,000 jump in March non-farm payroll employment. At their worst levels, bond prices stood about 1½

The latest report by National include Southdown, which has a key indicator of demand in the economy, showed that growth slowed for the third conclusion of the bidding war ever, there was evidence of stronger growth ahead with a strong new orders component.

Although etocks seemed to benefit somewhat from the its bid for the company to \$24 a

market, sentiment is still unset-tied because of continued weak-

\$54% after the company said it had been notified that a group controlled by Mr Herbert Haft, chairman of Dart Group, had filed for Federal clearance to buy up to 15 per cent of its stock.

up to 15 per cent of its stock.

Moore McCormack Resources
added \$1% to \$40% after the company said it was in talks with certain third parties which could lead to its acquisition. These third parties are reported to include Southdown, which has bid \$40 a share. Southdown eased

ger growth ahead with a strong pump in March non-farm payroll employment. At their worst levels, bond prices stood about 1% points lower.

However, by late trading, bond market sentiment is still process.

Yesterday was the first time \$\% to \$40\%, Proctor & Gamble announced it was ceasing its both markets had the opportunity to react to Friday's figures hem Steel eased \$\% at \$77\%, Bethlenity to react to Friday's figures hem Steel eased \$\% at \$20\% and hecause of the Easter holiday closure. Bonds also had to digest The Dow index was helped conthe company to rival bidder another piece of evidence about siderably by the surge in F. W. Smithkline Beckman for \$37 the economy yesterday which, on Woolworth which jumped \$8% to each. International Clinical fell \$1% to \$36% and SmithKline Beckman eased \$1/4 to \$53.

#### Canada

STOCKS gave up earlier gains to close slightly lower in quiet trad-

had risen about eight points in earlier trading, slipped 0.90 to 3313.00 as advances outnum declines by 383 to 329 on light turnover of 14.3m shares.

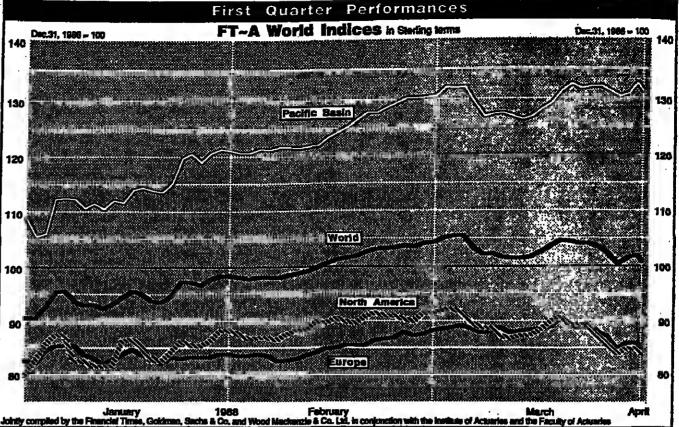
Campeau Corp, which succeeded in its battle to buy Federated Department Stores, climbed C\$2 to C\$24%. In other actives, class B shares of Laidlaw Transportation, which said last week it was looking for a buyer, slipped C3% to C\$21%.

Among broadly rising golds, American Barrick advanced C\$% C\$26%, Placer Dome won C\$% to C\$16¼ and Echo Bay gainer

Base metals were mixed. Nor-anda dropped C\$% to C\$23, Alcan Aluminium firmed C\$% to C\$33% discussed in Congress.

Blue chips were weak. International Business Machines slipped

\$\frac{1}{2}\$ to \$107\%, Eastman Kodak fell to \$51\% after the company at C\$2\%.



#### FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		MOI	NDAY APRIL	4 1988		FR	IDAY APRIL	1 1988	DOLLAR INDEX			
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Olv. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)	
Australia (89) Austria (16) Belgium (65) Canada (126) Oenitark (39) Finland (24) France (121) West Germany (99) Hong Kong (46) Ireland (18) Ireland	115.91 91.85 121.97 116.50 82.79 78.93 122.79 79.08 172.03 118.27 128.21 128.23 128.24 128.32 128.24 128.32 136.24	\$\$\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	91.07 72.17 105.98 95.83 91.56 95.05 65.05 61.67 78.06 96.48 62.13 135.16 92.92 113.62 84.19 59.34 100.82 120.88 93.20 63.78	103.94 78.96 115.12 109.24 100.56 106.42 72.76 67.45 107.30 72.45 135.19 116.88 360.17 90.77 61.87 105.67 99.39 83.79 102.77 68.55	4.07 2.65 3.02 2.84 1.95 4.41 2.76 4.14 2.63 3.32 0.99 2.79 2.59 2.79 2.74 2.53	91.85 91.85 134.14 122.19 116.83 126.26 82.65 78.35 79.32 122.83 79.32 144.61 107.03 76.24 124.81 108.96 130.21 150.87 118.22 81.09 236.31	91.04 72.13 105.34 95.95 91.74 99.15 64.90 61.52 93.62 134.58 93.62 134.58 134.05 135.05 135.05 135.05 135.05 135.05 135.05 135.05 135.05 135.05 135.	103.94 78.98 115.12 109.18 100.50 106.42 72.76 67.45 99.48 107.30 72.45 117.72 360.17 61.87 100.42 83.72 126.47 102.77 68.55	119.90 98.18 139.82 123.42 121.94 127.09 88.72 80.79 101.82 122.83 81.74 172.91 121.63 176.97 79.15 125.16 114.93 139.07 153.85 120.54 86.75	91.16 84.35 99.14 107.06 111.42 106.77 67.78 84.90 104.60 62.99 133.61 107.83 90.07 95.23 64.42 98.55 97.99 118.16 130,73 96.92 76.22	128.18 93.47 117.24 136.17 112.90 119.89 96.24 106.40 122.92 103.94 135.33 134.16 153.67 117.26 94.63 129.20 120.50 161.77 108.61 115.58 99.39	
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Baur values: Dec 31, 1986 = 100; Finland; Dec 31, 1987 = 115.037 (US 5 Index), 90.791 (Pound Sterling) and 94.94 (Local). Copyright, The Financial Times, Goldman, Sacht & Co., Wood Machenzie & Co., Ltd.1987 t, The Floancial Times, Goldman, Saet market closed April 1 and March 31. open: April 4: Canada, Japan, Malays eta, Japan, Malaysia, Singapore, Spale and USA; April 1: Haly and Japan

## Price worries erode Nikkei gains

#### Tokyo

GROWING wariness of high prices combined with the Tokyo dollar bond market's tumble eroded early gains and held the Nikkel average to a moderate rise in Tokyo yesterday, writes Shigeo Nishiwaki of Jiji Press. The Nikkel stock average

ended 53.17 up at 26,335.29 after moving between 26,309.19 and 26,445.87 on a volume of 1,110.91m shares, down from 1,308.99m on Friday, Advances led declines by 583 to 336, with 142 issues

The market opened firmer foi-lowing on from a strong showing Saturday. Buying focused on giant-capital and high-technology stocks bot, buying interest began to weaken in mid-morning, drag-ging days a number of large-capging down a number of large-cap-

ing balance on margin transactions on the stock exchange last week. The buying balance had hit a record high for the fourth week

The high-tech sector after a COSE moved ahead 183 00 to

Investors were also discouraged by news that the yield on a8.875 per cent 30-year US Treasury bonds had soared from last week's close by 0.125 per cent to 8.891 per cent in Tokyo trading. Many of them retreated to the sidelines in the afternoon to wait and both both the US head and sidelines in the afternoon to wait and see how the US bond and equity markets performed.

Some large-capital chemicals came into the spotlight, with Showa Denko climbing Y11 to Y770 and Miteral Residence.

Big-capitals continued to account for the bulk of trading. Nippon Steel was again the most active stock, with 157.01m shares traded, including a large buy order for 25m shares from a business from a busines order for 25m shares from a business corporation via Daiwa Securities but it closed Y3 down at Y481 after matching its all-time pons of around 6 per cent by life high of Y493 at one stage.

Anxlety grew when the index surged close to its October 14 peak of 26,646.43. Individual investors were worried about a possible tightening of restrictions on margin trading ahead of today's announcement of a buy-

The high-tech sector, after a firmer start, eased on the yen's appreciation against the US dollar. One exception was Mitsubi-over weakened by 75.50m shares to 134.22m shares. lar. One exception was Mitsubi-shi Electric which gained Y3 to Y745. Matsushita Electric Indus-trial dropped Y30 to Y2,650 and NEC Y10 to Y2,080.

The Osaka Securities Exchange (OSE) moved ahead 156.09 to

Tateho Chemical Industries soared a maximum Y100 to Y995 due to buying by speculators and Tsudakoma Y50 to Y1,400 on renewed buying sparked by its strong earnings position.

lack of buying interest and some selling by small investors.

The move by the US to end amid renewed political uncerand non-life insurance companies

#### GRANVILLE SPONSORED SECURITIES Lalisation Company Price on week (b) (a) % Pj 6582 4.6 5.1

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In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period 30th March, 1988 to 30th June, 1988 has been fload at 81th per cent. per amsum. Coupon No. 9 will therefore be payable on 30th June, 1988 at £1,107.58 per coupon from Notes of £5,000 nominal and £110.76 per coupon from Notes of £5,000

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DATED THIS 6th DAY OF APRIL, 1962.

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WORLD CURRENCIES

The table below gives the latest available rates of exchange against four key correncies on Thursday March 31, 1988., in some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. COUNTRY £ STG US \$ £ STG

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Arpentina Aruba	(Austra0 (Florin)	0.0224	5,2025	3.1432 1.0765	2 1643 4 1931 1 4362	Guinga-Biss Guyana	(Peso)	1221,68	298.6493 647.0762 8.9459	180,4320 390,9376	240.7043 521.5282 7.2102	Poland	(Zioty)	731.00a	387.1822 135.4343	233.9200	1.2283 312.0597
Australia Austria	(Aus 5) (Schilling)	2.5400	1.3453 11.6181 135.4343	0.8128 7.0192	1.0843 9.3639 109.1568	Halti				5.4048		Portugal Poerto Rico	(Escudo) (US S)	255.70 1.8880	135.4343	61,8240 0.6041	312.0597 109.1568 0.8059
Azores 0	Port Escudo)	255.70	135.4343	81.8240	109.1568	Honderas ·	(Goude) (Lempira)	9.3975 3.7726	4.9774 1.9981 7.7880	3.0072 1.2072	4.0117 1.6105	Optar	(RtyaD	6.8415	3.6236	2.1892	2.9205
Bahanas Bahrain	(Bahama S)	1.8880	1	0.6041	0.8059	Hong Kong Hungary	(HK S)	3.7726 14.7038 88.5619	7.7880 46.9077	4,7052 28,3398	6.2769 37.8065	Remulan (s. de l		10.5975	5 4130	3.3912	
Balearic Is Bangladesh Barbados	(Olner) (Sp Peseta)	0.7085 208,40 58,20	0.3752	0.2267 66.6880 18.6240	BB. 9647	Iceland Ocel	andic Krena)	72.37	38.3315	23.1584	30.8943	Romania Rwanda	(Leu) (Fr)	14.781 133.5895	7.8283 71.8164	43.3886	4.5240 6.3094 57.8823
Barbados	(Taka) (Barb \$)	3.7802	30,8262 2.0022	1.2096	0.8059 0.3024 88.9647 24.8452 1.6137	Indonesia	ndiaa Rupee) (Rupiah) (Riai)	25,50 3121.41	13.5063 1653.2893	8.1600 998.8512	10.8858 1332.5122	St Christopher		5.07	2.6853	43.3000	
Belglum	(Belg Fr)	65.35c 65.45q	34.6133 34.6663	20.9120 20.9440	27.8975 27.9402	iran iraq irish Rep	(Rial) Oraqi Qinari	0.5808	65,7309 0.3076 0.6197	39.7120	52,9775 0.2479	St Helena St Lucia	Œ Carr S	1.00 5.07	0.52% 2.6853	0.3200 1.6224	2.1643 0.4268
Belize	(62)	3.7590	1.9909	1.2028	1.6046	Irish Rep	(Pant) (Shekeb	1.1700	0.6197		0.4994 1.2550		French Fr)	10.5975 5.07	5.6130	3.3912	2.1643 4.5240
Beriouda (B	(CFA Fr) ermudian S) (Ngultrum)	1.8880	280.6567 1	1.2028 169.5616 0.6041 8.1600	226.2027 0.8059	Italy Ivory Coast	(CFA Fr)	2.9400 2318.00 529.88	1.5572 1227.7542 280.6567	741.7600	989.5410 226.2027	San Marino (to	(E Carr \$)	2318.00	2.6853 1227.7542		2.1643 989.5410
Boltvia	(Boliviano)	25,50 4.2289	13,5063 2,2398 1,6869	1.3532	10,8858 1,8052				5.3654	3.2416	4.3244	San Marino (It Sao Tome Saudi Arabia	(Riyal) (CFA Fr)	7.0635	72.0974 3.7412	43,5564 2,2603	58.1088 3.0153
Botseana Brazil	(Pela) (Crezado)	3.1850 215.38	1.6869	1.0192 68.9 <b>21</b> 6	1.8052 1.35% 91.9445	Japan Jordan Clord	Liamaican S) (Yen) Janian Olner)	234.25	124.0730 0.3336	74.9600 0.2016	100 0.2689	Seregal Seychelles	(Rupee) (Leone)	529.88 9.72 49.70	280.6567 5.1483 26.3241	169.5616 3.1104	226.2027
British Virgin Brunel Bulgaria	(Brunel S)	3.7710	1.9973	68.9216 0.6041 1.2067 0.4704 169.5616		Kampuchee	(Riel)	188 80	100			Sierra Leone Singapore Solomon is	(53)	3./710	26.3241 1.9973 2.0152	3.1104 15.9040 1.2067	4,1494 21,2166 1,6098
Bulgaria Burkian Faso	(CFA Fr)	1,4700 529,88 11,0236	0.7786 280.6567	0.4704 169.5616	1.6098 0.6275 226.2027	Kerys (Ke	nya Shiillagi Australian Si	31.85 2.5400 1.7667	16.8697 1.3453	60.4160 10.1920	80.5976 13,5965 1.0843 0.7541	Solution is Somali Rep	(\$)	3.8047 187.95	2.0152 99.5497	1.2175 60.1440	1.6242 80.2347
Borma Borandi (	(Kyat) (Barundi Fr)	11.0236 237.56	5.8387 125.8262	3.5275 76.0192	4.7059 101.4130	Korea North Korea South	(Won) (Won)	1.7667	0.9357 741.4724	0.8128 0.5653	0.7541	South Africa		3.9913c 5.5410g	2 1140 2 9348	1.2772	1.7038 2.3654
Cameroon	(CFA Fr)	529.88	280,6567			Kurerait (Ke	maiti Dinar)	0.51445	0.2724	447.9680 0.1646	597.6093 0.2195	Spain	(Peseta)	208.40	110,3813	1.7731 66.6880	2.3654 88.9647
Canada Canary is	(Sp Peseta)	2.3265 208.40	1.2322	169.5616 0.7444 66.6880	226,2027 0,9931 88,9647 58,9114 0,6699	Laos Lebanou	(New Kip) (Lebanese E)	657.83	348.4269	210.5056	280.8239	Spale Spanish Ports & N Africa	sp <u>Peseta)</u>	208.40	110.3813		
Cp. Verde is Cavman is	(CV Escudo)	138.00	73.0932	44 1600	58.9114	Lesotho	(Matuti)	683.20 3.9913	361.8644 2.1140	218.6240 1.2772	291.6542 1.7038	Sudan Rep	(C)	59.00 8.4578o	31.2500 4.4797	66.6880 10.8800 2.7064	88.9647 23.1867 3.6105
Cent.Afr. Rep	(CFA FT)	529.88 529.88 461.20 6.9624	-00 CCC T	0.5022 169.5616 169.5616 147.5840	226.2027 226.2027	Liberia Libya (L Liechenstein	(Liberian S) Byan Olmari (Swiss Fr)	1.8680 0.5227	0.2768	1.2772 0.6041 0.1672	0.2231	Surinam Swaziland C	(Gulider)	3.3549 3.9913	1 7760	1.0735	1.7038
Chile (Ci China (Rem	hilean Peso) minbi Yuan)	461.20	244,2796		196.8836 2.9722	Taxtuiponed	(Lex Fr)	2.5750 65.35	1.363 <del>8</del> 34.6133	0.8240 20.9120	1.0992 27.8975	Sweden Switzerland , Syria	(Krous)	11.0875	2.1140 5.8726 1.3638	3.5480 0.8240	4.7331
Colombia Comoro is	(Col Peso)	527.71	280.6567 244,2796 3.6677 279.5074 280.6567	168,8672 169,5616 169,5616 44,3264		Macao Madeira (I	(Pataca)	15.1174 25.70	8,0070 135,4343	4.8375	6.4535	Syria	(E)	2.5750 56.3850a	29.8649	18.0432	1.0992 24.0704
Congo (Brazz Costa Rica	(CFA Fr)	529.88 529.88 138.52	280,6567 73,3686	169.5616	226.20Z7	Malagasy Res	Port Escudo) (MG Fr)	255.70 2068.75	135,4343	81.8240 662 1.4704	109.1568 883.1376	Tahwan Tanzania	(Shilling)	53.6250o 175.70	28.4030	17.1600	22.8922
Cuba II	Cuban Peso) (Cypres £3	1.4314 0.8370	0.7581 0.4433	0.4580 0.2678	226-2027 226-2027 59.1334 0.6110 0.3573	Malawi Malaysia Maldire Is	(Kwacha) (Ringgit)	4.5950	2.4337	1.4704	6.4535 109.1568 883.1376 1.9615 2.0601 8.1037	I TODO ROM	(Bahi)	48.00 529.88	93.0614 25.4237	17.1600 56.2240 15.3600	75.0053 20.4909 228.2027
Czechoslovaki		9.45c				( Mail No	(Ringgit) (Rin hal) (CFA Fr)	2068.75 4.9950 4.8260 18.9830 529.88 0.5965 10.5975	1095,7362 2,4337 2,5561 10,0545 280,6567 0,3159	1.5443 6.0745 169.5616	226.2027	Tonga is Trinklad/Tobag	(CFA Fr) (Pa Anga) 0 (5)	25400	280.6567 1.3453	169.5616 0.8128	226,2027 1.0843 2.8884
		16.45i 15.84t	5.0052 5.7129 8.3898	3.0240 5.2640 5.0668	4,0341 7,0224 6,7529	Maitz Martialque	(Local Fr)	0.5965 10.5975	5.6130	0.1908 3.3912 43.5502	0.2546 4,5240	Tunksia	(Olmar)	1.5261	3.5837 0.8083	2.1651 0.4883 717.3120	0.6514
Deamark (Day	ikh Kroser)	11 9425				Mauritania Mauritius (I	* CONTRACTOR	136.0946 23.45	72.0840 12.4205	43.5502 7.5040	58.0980 10.0106	Turks & Calcos Turks (Aus	(05.5)	2.5400 6.7662 1.5261 2241.60 1.8880 2.5400	1187.2881 1 1.3453	0.6041 0.8128	956.9263 0.8059 1.0843
Desmark (Das Ojibouti Rep Bominica	(O)lb Fr) (E Carrib S)	11.9425 325.00	6.3254	3.8216 104 1.6224 2.9861	5,0981 138,7406 2,1643 3,9836	Mexico (Me	exican Peso)	4294.48a 4242.03d	2274,6186 2246,8379	1374,2336 1357,4496	1833.2892 1810.8986		Shilling)	112.25			
Dominica Dominican Re	(O Pesa)	5.07 9.3317	2,6853 4,9426	2.9861	3.9836	Miquelon	(Local Fr) (French Fr)	10 5975	5.6130	3.3912		IUAE	(Cirkmen)	5.9160 1.00	3.6631 0.5296	35.9200 2.2131 0.3200	47.9188 2.9524
Ecuator	(Secre)	469.690 811.11a	248.7764 429.6133	150.3008	200.5080 346.2582	7 Mongolia	(E Carr S)	10,5975 6,3067 5.07	5.6130 3.3404	3.3912 2.0181	4.5240 4.5240 2.6922	United Kingdom United States Uraquay	เบรรา		. 1	0.6041	2.9524 0.4268 0.9059 252.4482
Egypt 0	Fountlas (1)	4 2050	2.2272	259.5552	346.2582 1 7950	Montserrat Morocco	(Oirteam) (Metical)	5.07 14.79 854,2328	5.6130 3.3404 2.6853 7.8336	1.6224 4.7328	2.1643 6.3137	Uraguay USSR	(Peso) (Rouble)	591 <u>36</u> 1.0942	313.2203 0.5793	189.2352 0.3501	252,4482 0,4671
Egypt C El Salvador Equat'i Geiner Ethiopia (Ethi	(Colon)	9.4315 529.88 3.8069	2.2272 4.9954 280,6567 2.0163	1.3456 3.0150 169.5616	1.7950 4,0262 226,2027 1.6251	Mozzanbique			452.4538	273,3544	364.6671	Vansatu Vatican	(Vatu) 1 (Lira) 2	191.50 2318.00	101,4300	61,2800	81.7502 989.5410
Ethiopia (Ethi	lopium Cirri	3.8069	2.0143	169 5616 1.2182	1.6251	Namibia Mauru is CA	(S A Rand) ustralian \$)	3.9913 2.5400 39.3695	2.1140 1.3453 20.8524	1.2772 0.8128 12.5982	1.7038 1.0643 16.8066	Venezuela	(Boliver)	7 26e	1227.75A2	741.7600 6.7232	
Faikland is Farce is (Dan	(Falk 5)	1.00	0.5296	0.3200	0.4268	Nepal (Nepa Netherlands N'nd Antilles	(Gelider)	3.5075	20,8524 1,8577	1.1224 .	16.8066 1.4973			14.10p 5.70i	. 7.4682 29.5021	4.5120 17.8240	11.6371 6.0192
FIRE Finland	(FIRS)	11.9425 2.7025 7.5238	1 4314	3.8216 0.8648	5.0981 1.1536		(147 53	3.3643	1.8577 1.7819 1.5240	1.0765 0.9208 6.0352	1.4973 1.4362 1.2283	Vietnam	(Doog) (	91.660	366,3453	221 9312	23.7780
France	(CFA Fr)	10.5975 529.88 10.5975	5.6130	3.3912	3.2118 4.5240	Nicaragua Niger Rep Nigeria	(Cordoba) (CFA Fr) (Naira)	2.8775 18.8600 529.88	9.9894	6.0352	8.0512 226.2027	Virgin is-British Virgin is-US		.8880 .8860	i	0.6041	295.2657 0.8059 0.8059
Fr. Cty/Africa Fr. Golana Fr. Pacific is	(Local Fr)	10.5975	6.3246 1.4314 3.9850 5.6130 280.6567 5.6130 97.9872	2.4076 3.3912 169.5616 3.3912 59.2000	226.2027 4.5240	Norway C	(Naira) Nor. Krose)	8.2900 11.7775	1.5240 9.9894 280.6567 4.3908 6.2380	169.5616 2.6528 3.7688	3.5389 5.0277	Western Samoa	(Tala) 3	3.7793	2.0017	1.2093	1.6133
		185.00			78.9754	_	Rial Omasi)		0.3832	0.2315		Yemen	(Riab )	9.25	10.1959	6.1600	8.2177
Garbon Gambia	(CFA Fr) . (Dalasi)	529.88 13.6664	280.6567 7.2385	169.5616 4.3732	226,2027 5,8341 1,3340	1		9.725 33.20			0.3068	Yemen PDR Yugoslavia	(Dinar) (Dinar) 2	578.04	0.341 <i>4</i> 1365.4872	0.2043	0.2752
Germany East Germany West	(OMark)	3.1250 3.1250	1.6551	1	1.3340	Panama Papua New Go	(Balboa)	1.8880	17.5847	10.6240 0.6041 0.5302	14.1728 0.8059 0.7073	Zaire Rep Zambia			142.5336	94 1191	1100.5506
Ghaoa Othraitar	(Gib £)	347,34 1.00	183.9724	111,1488	1.3340 148.2774 0.4268	Paraguay		1.6570 603.626	0.8776 319.7139	0.5302 193.1584		Zivnbia Zinxbabwe	(Kwacha) 1	69.1035 4.50 3.2150	7.6800	4.6400 1.0288	114,8787 6,1899 1,3724
Greece	(Draciena)	249.10	0.5296 131.9385	79.7120	106.3393			1663.72	881,2076	532,3904	257.6819 710.2326			ياليسمه	1.7028	1.0258	1.3724

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